









# Louder and funnier

by NIGEL ANDREWS



John Bluthal and Peter Sellers in 'The Return of the Pink Panther'

entation (A)  
Phoenix, East Finchley  
return of the Pink  
ther (U)  
Leicester Square Theatre  
arel in White (AA)  
Studio One  
o DeLuxe (X)  
Continental  
counselor (X)  
Warner West End One

as the best of years. It  
is worst of years. It  
is brimming with talent and  
at with unoriginality. It  
year in which the cinema  
itself as never before. It  
year of the re-make; and  
ar in which the old stage  
sequel is never as good  
original was roundly and  
edly discredited. (God-  
Fort Two and French  
vision Number Two were  
improvements on the Mark  
models.) It was a year in  
the disaster movie gave  
tiously and imperceptibly,  
monster-movie: James To-  
ing Kong (two versions  
f) to-morrow. It was the  
of the animals. Prime-  
loster Coppola, Hugo the  
The Pig and I, All Green  
Green and Small. It was  
ar of the homicidal bab-  
ise, I Don't Want To Be  
It was the year of the  
green, the long script and  
sturn of showmanship to  
fashionable cinema  
of which is better than  
first seem to one casting  
tical backward glance at  
That American films are  
s bigger, louder and  
s suggest at least that  
ne has taken up the cudgels  
in the age-old battle with  
sion. If we must have TV-  
e cops-and-robbers films  
downbeat urban thrillers  
s currently seem the staple  
d from across the Atlantic)  
at least have a fair share  
alternative as well: Holly-  
okum writ large, and a  
s to the days when the  
was proud of its size and  
and colour, and unabashed  
vulgarity.

it a year of nostalgia such  
t form. For the first time  
history the cinema seems  
standing out from the  
ht-line of progress and  
g back at the way it has  
American directors like  
Altman play new varia-  
on old and classic Holly-  
genres. European directors  
Passbinder and Wim

Wenders make no secret of the  
inspiration they draw from the  
Golden Age of American cinema.  
Sequels and remakes abound:  
not only The Godfather and The  
French Connection and their  
respective offshoots, but Flash  
Gordon, The Spiral Staircase,  
Young Frankenstein, Flash For  
Frankenstein, Funny Lady,  
Phantom of the Paradise, Return  
of the Pink Panther... you  
name the film you remember  
from 1975, chances are it was a  
sequel or a remake.

Even European film-makers,  
to whom one has sometimes looked  
for a glimpse of the pioneering  
spirit, were turning their eyes to  
the past: Bresson's Lancelot du  
Lac, Pasolini's Arabian Nights,  
Heston's Exorcist of Pompeii,  
Hauer. Afraid of the way in  
which cinematic progress might  
lie—towards greater fragmenta-  
tion and abstraction—movie-  
makers all over the world seem  
to have taken refuge, tem-  
porarily, in the tried-and-trusted  
magic of story-telling. Con-  
solidation of the past does not  
preclude—hopefully—it rather  
preludes—an advance on the  
future. And the critical aware-  
ness of movie history that all  
film-makers and filmgoers seem  
nowadays to share is a really  
strong and hopeful platform  
from which the cinema can  
launch itself into the second  
half of the 1970s.

No review of a past year in the  
cinema, however brief, seems  
complete without a ten best list.  
So here, in no specific order of  
preference or seniority, is mine.  
The Passanger  
Bring Me The Head of Alfredo  
Garcia  
Barry Lyndon  
The Godfather's Fear of the  
Pensky  
Fur  
Nashville  
Love and Death  
Lancelot of the Lake  
Smile  
The Phantom of Liberty  
Repetition was the keynote of  
1975, and there is a distinct sense  
of déjà vu about the first few  
films of 1976. Rolf Lyssy's Kon-  
fession (A, Phoenix, East  
Finchley) is another of those  
sombre, sober, well-intentioned  
historical films, based on a real  
historical incident, of which we  
have had such a long time  
recently (cf. Black Holiday, The  
Refusal, The Extradition). The  
incident the film recreates was the  
assassination of the Swiss  
National Socialist leader Wil-  
helm Gustloff by a Jewish  
medical student, David Frank-

further, in Davos in 1936. The  
assassin was sentenced by the  
Swiss courts to 15 years in jail,  
but was paroled after the war  
with only 10 of those years  
served. The film interweaves a  
sympathetic fictional account of  
his crime, arrest and trial with  
an interview with the real Frank-  
furter, currently alive and living  
in Israel.

The issues raised by the film  
are more interesting than the  
film itself. Is assassination in  
peace-time ever justified? Should  
a criminal have his prison sen-  
tence revoked, or cut short,  
simply because the political tide  
turns in his favour? Frankfurter  
has stated that he "felt com-  
pelled to take vengeance on the  
representative of a regime that  
had made life in Germany im-  
possible for Jews. I killed Gust-  
loff because he was poisoning  
the atmosphere in Switzerland."  
Can think of several dis-  
tinguished atmosphere-poisoners  
in modern Britain—naming no  
names—but I would hesitate to  
put a gun into the hands of their  
enemies or to use one against  
them myself. The film does all  
the simple things required of it  
well—good performances, bleakly  
effective photography, a tidy,  
lucid script—but it never seems  
to me to get to grips with the  
more compelling questions its  
story raises.

Inspector Clouseau rides,  
or rather stumbles, again in The  
Return of the Pink Panther (U,  
Leicester Square Theatre), the  
third film celebrating the ac-  
tivities of the staid and Gai-  
detective, who was first created  
in Blake Edwards' The Pink  
Panther. Edwards has written  
and directed this film, and has  
clearly intended it as a vehicle  
for Peter Sellers. The comedian's  
co-stars are pushed so firmly into  
the background (Christopher  
Plummer, Catherine Schell,  
Herbert Lom) that one wonders  
in what access of professional  
humility they originally accepted  
the roles. It is Sellers' film from  
the moment he first appears—  
moving on a blind beggar in a  
Paris street while a bank robbery  
takes place unheeded behind his  
back—to his last bow, missed by  
an assassin's bullet as he bends  
to retrieve a vital object from  
the bedroom floor.

The film goes up and down  
with a witless performance and  
with the quality of the stage.  
The second is the more variable com-  
modity. Clouseau's first appear-  
ance on the scene of a crime—  
spilling his fingerprint powder  
back—his last bow, missed by  
an assassin's bullet—is class slap-

stick, simple, precise, maniacal.  
less happy, become more pro-  
longed and predictable, and the  
later antics with a vacuum  
cleaner in his suspect's  
luxuriously appointed hotel room.  
The one great comic constant in  
the film—Clouseau's own real  
claim to immortality—Sellers'  
French accent; a weird, wonder-  
ful, and totally impenetrable;  
hybrid of sounds that succeeds in  
leaving both his French and his  
English listeners equally baffled.  
No less weird, but somewhat  
less wonderful, is Claude  
Chabrol's Scoundrel in White  
(AA, Studio One). Originally  
called Dr. Popaul, this is the  
film Chabrol made, some years  
ago, between La Decade Prodi-  
gieuse and Les Noces Rouges.  
Since Le Boucher in 1969  
Chabrol's thrillers have become  
more and more whimsical and  
less and less compelling. This  
one stars Jean-Paul Belmondo  
as a man whose preference for  
plain girls over pretty ones leads  
to an ill-fated liaison with Mia  
Farrow. Not even buck teeth  
and glasses, and a money hat-  
do, can turn Mia Farrow into an  
ugly duckling. But this strain  
on our credulity is as nothing  
compared with the film's other  
far-fetched ingredients: sinister  
hospitals, mysterious car  
accidents, faked X-ray charts—  
all the cut-rate paraphernalia of  
the Hollywood Z-movie that  
Chabrol managed in his earlier  
films so triumphantly to eschew.  
Remoto DeLuxe (X, Continental)  
is a modern-draw western star-  
ring Jeff Bridges and Sam Water-  
ston. Set in Montana, it is about  
the rise and fall of two happy-  
go-lucky rustlers, and their con-  
flict with authority in the shape  
of an obese rancher (Clifton  
James) and the hick-town  
detective (Slim Pickens) he hires  
to track them down. There seems  
to be an allegory about modern  
youth contained in here some-  
where—lots of rambling philo-  
sophy in the dialogue, lots of  
meaningful confrontations  
between the generations—but the  
film is so dully directed (by  
Frank Petry) and so meander-  
ingly constructed that one loses  
interest long before the hoped-  
for message is ready for delivery.

The Counsellor (X, Warner  
West End One) is The Godfather  
Part Fourteen: yet another spin-  
off from Francis Ford Coppola's  
lucrative Mafia epic, in which yet  
another Brando-esque patriarch  
(Martin Balsam) puts yet  
another pale and ruthless protégé  
(Thomas Milian) through the  
paces of his criminal apprentice-  
ship.

For Hölderlin's poem. The  
Death of Empedocles, we ex-  
perience not only the prophetic,  
"sublime" (as the word was  
used in the 19th century) vision  
(1774-1840), could put the brakes  
of a writer who stood on the  
border between Classicism and  
Romanticism, but also the rough  
philosophical stumblings of the  
border between realism and sur-

pre-Socratic era and later that  
inspired one of the most  
ethereal, rhapsodic, and difficult-  
to-interpret poems in German  
literature.  
Empedocles is hardly a drama:  
thus the sub-title, Reading  
Hölderlin. It merely "tele-  
scopes" an actuality, rather than  
resorting to conventional modes  
of narration. In this regard,  
Grüber's previous The Bacchae  
offers some hints: in that pro-  
duction he offered a surrealist  
commentary on the Fall of  
Greece that transferred primitive  
cannibalism to this century's  
horrible devouring of Western  
Civilisation. Empedocles pro-  
vides the footnotes to The  
Bacchae, the "before" to the  
"after" of the Age of Pericles  
—and the two together provide  
a visual and oral portrait of a  
great ancient culture that  
resembles our own in its variety  
and disorder of thought, in the  
conflict between belief and  
philosophy, if we reckon out-  
selves as heirs of 19th-century  
cultural rich plays.

Grüber is a "threshold"  
director—that is, he stands on a  
border to bring historical and  
psychological perspective into  
his personal dramatisations of  
Johann Christian Friedrich  
Hölderlin (1770-1843) could  
scarcely contain his love for  
the Greek culture in verse or prose,  
perience not only the prophetic,  
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(1774-1840), could put the brakes  
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realism, captured the essence of the  
rags and goggles of two lost  
Empedocles by likening the Arctic  
explorers, weigh each  
philosopher's ascent of Mount  
Etna to the wooden ship buried  
in grinding slashes of frozen  
floes in Friedrich's allegorical  
painting The Wreck of the Hope  
(c. 1822): this stark replica of the  
spiritual shipwreck, of human  
aspiration encased in the world's  
glacial indifference, stabs the air  
on the broad plane of the front  
stage as the spectator takes his  
seat for a non-stop, two-hour  
poetry reading.  
After this magnificent gesture  
to capture the eye, as Hölderlin's  
verses captivate the ear, little  
else of dramatic worth happens  
—save for a refracted glimpse  
into the present on a separate,  
contiguous stage that provides  
a dimensional realism, via a  
portrait of murky misery, when  
cross-section of life on any night  
in a Sicilian railway station, it  
resembles our own in its variety  
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We have already heard a  
guitarist, a pianist and a wind  
quintet this week, all of them  
outstanding young talents, intro-  
duced at the Park Lane Group's  
Young Artists and 20th-Century  
Music series. On Wednesday it  
was the turn of a flautist and  
another pianist: neither one of  
positively prodigious accomplish-  
ment, but both gifted, interesting  
musicians, clearly on the brink of  
satisfying and successful careers.  
The flautist, Cathrine Saun-  
ders (b.1953), also showed admi-  
rable qualities: not always the  
purest of tones, but a warm,  
lively sound, brilliant, but not  
shrill, in the high registers,  
round and true in the low. Her  
account of the slow movement  
of Prokofiev's D minor sonata  
was beautifully shaped—in the  
if, his account of Hindemith's  
second sonata seemed a little  
constrained—lacking a certain  
buoyancy in the outer move-  
ments, and in the slow move-  
ment, white-hot intensity of  
phrasing—the sound was always  
bright and clear, and the gentle  
romance, Poulenc's sonata of  
logic of the one-row (in spite 1957,  
of her memory lapse) impres-

son, seemed always about to  
burst into vocal flame, as  
Sieglinde but never quite did so.  
Both Walsungs are handi-  
capped in this production by  
the determined suborganisation,  
which worked as first as a jolt  
but now produces rapidly  
diminishing returns. Sieglinde's  
plain-Jane dress must be as  
dreary for the singer as it is  
for the audience (but she evi-  
dently managed in that poor but  
to keep her hair in shining con-  
dition). Sieglinde is no doubt  
where—lots of rambling philo-  
sophy in the dialogue, lots of  
meaningful confrontations  
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Schaubühne, West Berlin

## Hölderlin's Empedocles

by RONALD HOLLOWAY

An opening night at the  
Schaubühne am Halleschen Ufer  
in West Berlin is apt to be the  
major event of the season. And  
when Peter Stein or Klaus  
Michael Grüber lay their hands  
on a classic, the veteran theatre-  
goer is forewarned to do his  
homework before stepping over  
the threshold into the alien,  
complex, but relevant world of  
times past; later, he might even  
return (if he's lucky enough to  
get a ticket) with a notebook of  
his own to compare opinions  
with the production of  
Grüber's  
Empedocles Hölderlin lesen  
(Empedocles: Reading Hölder-  
lin) is the latest example of  
Schaubühne perfectionism. In  
which history is again set on its  
head to interpret, from the  
distant standpoint of art, past  
and present simultaneously. It  
is also another high-water mark  
in German theatre of this  
decade.

Purcell Room

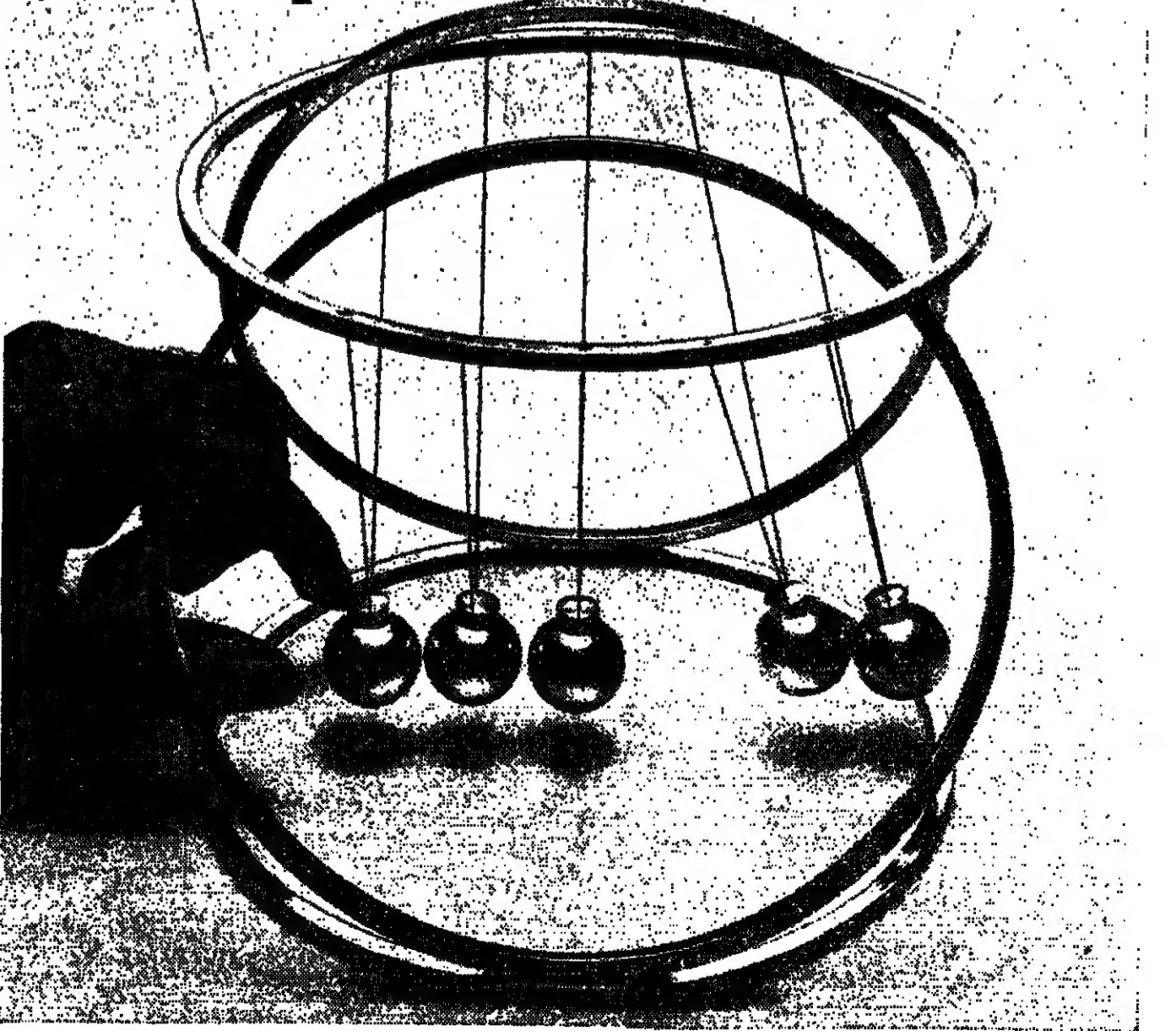
## Green-Armytage & Saunders

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Stephen Galloway and Nigel Stock in Terence Rattigan's 'The Browning Version', revived last night at the King's Head in Upper Street, N.1

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iseum.

## The Valkyrie

by RONALD CRICHTON

a second night of the open-  
ing cycle at the ENO, if it  
is not so consistently satisfying  
—regard the evening before  
moments of great splendour  
reached a high standard. It  
is to make one eager for  
St. Maccarius may not hold  
key to Goddard's command  
of Wagnerian groundswell,  
he secures sharper definition  
in orchestral playing and  
exact liaison with the  
rs — Wotan's narration in  
rs — was one outstanding  
pla. There were occasional  
ies of tempo, a too relent-  
forward thrust as Wotan  
ed his farewell, then  
ly the opposite in the long  
natic descent after he  
le. Also, as in *Rhinegold*,  
en gleams of brilliant detail  
the gleaming winds during  
nblide's exit after the high  
nnotation. Apart from some  
cello playing the orchestra  
cello of the first act was  
minutely well knit.  
e production of Byam Shaw  
Blatchley runs on lines by  
well established: clear, un-  
exposition with character-  
as humanly credible as  
le, leaving the audience  
to draw its own conclusions  
out being thumped on the  
by sandbags as in the more  
nal, penetrating but slanted  
fric production at Covent  
The use of the front  
a paschlo biancamare  
least explain better than the  
the Coliseum why Alberich can't  
catch them. Robert Orubo's  
lighting remains wonderfully  
subtle except for two details. In  
Rhinegold, the shining disc hung  
at the back confusingly reflects  
the Gods behind the rickety  
Valhalla, as if the Giants had  
thoughtfully provided the for-  
tress with peeping servants. The  
and of Act 2, have gone limp.  
Whatever colour she was lit,  
and although the announcement  
is unlikely ever to be the high

Porter's translation: when a col-  
loquial phrase jars slightly there  
is usually a point to be made.  
One, or two moments, like the  
formerly admirable treatment of  
the end of Act 2, have gone limp.  
In the last act some of the war-  
rior-maidens pleading with Wotan  
have developed winsome gestures  
that don't go at all well with  
their appearance.  
Koltai's designs, because they  
are designed and make well-  
composed stage pictures, mostly  
wear well. If they begin to look  
flimsy that is because now one  
cannot help comparing them  
with Svoboda's sets at Covent  
Garden, whose still incomplete  
Ring draws on greater intellec-  
tual and financial (though not,  
surely, musical) resources.  
Covent Garden's flickering,  
multi-mirrored Rhinemaidens  
become irritating, but they do at  
least explain better than the  
painfully slow up-and-downs at  
the Coliseum why Alberich can't  
catch them. Robert Orubo's  
lighting remains wonderfully  
subtle except for two details. In  
Rhinegold, the shining disc hung  
at the back confusingly reflects  
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tress with peeping servants. The  
and of Act 2, have gone limp.  
Whatever colour she was lit,  
and although the announcement  
is unlikely ever to be the high

spot of Rita Hunter's Brünnhilde,  
she was singing for the most part  
very well. The line in the last  
act may not be quite as adaman-  
tine as before, but the scene with  
Wotan is none the less strongly  
and touchingly done. As for  
Norman Bailey's Wotan, it is  
hard to imagine that any baritone  
to-day can excel him in the quiet  
sense of authority, in the master-  
ly delivery of the narration or  
in the cantabile of the Farewell,  
which put the cellos to shame.  
Ann Howard was back as Fricka.  
Among her other virtues, she  
never overlooks the importance  
of communicating with singers as  
well — audience by means of  
the eyes — some of the principals,  
Wotan not excepted, are becom-  
ing lazy about this.

Except for the always interest-  
ing Hunding of Clifford Grant,  
the first act remains the weakest.  
The foliage sprouted by the ash  
tree usefully fills the upper half  
of the stage but leaves one con-  
fused as to whether the Hund-  
ings live in or out of doors. The  
Spring Song he treated as a party  
piece, as if he were singing for  
his meagre supper. Margaret  
Mitchell and Bette Midler,

Annie Ross at  
Quaglin's

From January 12, Annie Ross  
will be appearing in cabaret at  
Quaglin's for three weeks. She  
will include songs from new  
Broadway shows, her favourite  
jazz numbers, French and Portu-  
guese songs and some of her own  
compositions, which have also  
been recently recorded by Joni







*The Electricity Council, England and Wales*



## EUROPEAN NEWS

## Bonn 'should seek' British participation in Airbus

BY NICHOLAS COLCHESTER

BONN, Jan. 8.

THE WEST German Government Ministry was appointed co-ordinator a year ago, and was asked to carry out a rethink of Britain and Italy into an aerospace programme. It should also suggest that the Government must continue to support the industry's present activities.

These are among the new recommendations to the Government from the "co-ordinators" of the German aerospace industry. The co-ordinator's report will be considered by the Cabinet next Wednesday. It suggests that the production of the next series of aircraft should be developed with Britain and Italy should start in the second quarter of this year.

It proposes that the VFW 614 should be helped by a production subsidy of DM350m for the first 32 aircraft, and with a sales subsidy of DM14m per aircraft. It also says that funds should be made available for the development of a family of aircraft based on the German Airbus.

State Secretary Martin Gruener of the Economics

If the Cabinet accepts the Gruener recommendations it will mean, according to the report, that the Government will pay out an average of DM340m, a year for civil aircraft construction, DM550m a year for space projects, and DM49m a year for weapons produced by the aerospace industry, between now and the end of 1979.

Michael Donne writes: The West German suggestion that the U.K. should go back into the European Airbus venture at Government level is in line with the views of Hawker Siddeley Aviation (which has invested its own money in the Airbus) and Rolls-Royce (which sees in a renewed Government stake a stronger chance of getting its RB-211 engines used in the Airbus).

It is also in line with the recent EEC proposals for a stronger European aerospace industry, which suggested that the existing Airbus Industrie group (including Hawker Siddeley, Aerospa- tiale de France, Deutsche Airbus and Fokker of Holland and CASA of Spain) should be used as the nucleus for a bigger civil aircraft manufacturing capability for the future.

## Jobless total rises to 1.22m.

BY ADRIAN DICKS

BONN, Jan. 8.

UNEMPLOYMENT in West Germany, responding largely to what the Federal Labour Office called normal seasonal factors, rose by 109,000 last month to reach a total of 1.22m. In percentage terms the unemployment rate moved up four points from 4.9 to 5.3 per cent, slightly higher than it was a year ago.

At the same time, 55,800 more workers were put on to short-time working, raising the total to 748,000, while the number of openings declined by 14,800 to 168,000.

Although these figures are hardly encouraging to the Government's hopes that the corner has been turned, the experts of the Federal Labour Office in Nuremberg were at pains to-day to stress that virtually all the increase was due to normal seasonal factors.

In another development to-day, the economics ministry issued new figures showing a further modest rise in orders during November. The overall index went up by three points from 139 to 142 (on a base of 1970=100) with stronger domes-

tic demand once again providing the major impetus. Domestically placed industrial orders rose by five points from 126 to 131, while export orders—which had staged a dramatic recovery between July and September—actually showed a slight overall decline from 152 to 150 on the index.

Within this figure, the consumer products industries showed a markedly stronger export performance than those turning out capital goods.

## 'Joint research needed'

BY OUR OWN CORRESPONDENT

BONN, Jan. 8.

WEST GERMANY does not feel it can develop a commercial high-temperature, gas-cooled nuclear reactor by itself, and is

interested in co-operating with the U.S. to share the costs in this field. This was made clear by Dr. Hans Matthöfer, the West German Minister of Research and Technology, at a lunch given here to-day by the American Businessmen's Club.

He said that talks on this subject were taking place "continuously." West Germany would like to share the costs of the complete 300 megawatt "pebble-bed" demonstration reactor that it is building at Schönefeld, while the U.S. would go ahead with its 330 MW prismatic fuel reactor at Fort St. Vrain. When both were producing power, the two governments could draw conclusions as to how high-temperature nuclear energy could be developed further.

Dr. Matthöfer suggested that he was sceptical about the development of the "pebble-bed" type of reactor above the 300 MW power level because of difficulties associated with the control of a reactor.

The market for such reactors has, however, almost vanished with the "evaporation" of the high-temperature reactor contracts of General Atomic, the U.S. joint venture of Shell and Gulf Oil. This development had jeopardised the U.S. prismatic fuel reactor at Fort St. Vrain.

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## Ortoli is critical of Tindemans report

By Reginald Dale, Common Market Correspondent

BRUSSELS, Jan. 8.

M. FRANCOIS-Xavier Ortoli, president of the EEC Commission, to-day expressed serious reservations about the Tindemans report on European unity, published here yesterday. While welcoming some aspects of the report, drawn up by Mr. Leo Tindemans, the Belgian Prime Minister, M. Ortoli was clearly perturbed by its suggestion that the stronger EEC countries should push ahead towards economic and monetary union leaving the weaker members temporarily lagging behind.

At a New Year Press conference, M. Ortoli recalled that in its own report on European unity the Commission had decided that common policies must apply equally to all member States if the Community's institutions were to function properly. This was the only way that the "political needs" of European unity could be met and Europe's "identity" assured.

His remarks clearly reflected concern in the Commission that the kind of Community envisaged by Mr. Tindemans could lead to grave political difficulties. The fear is that countries such as Britain, Italy or Ireland, which lagged behind the others, might soon start losing their political as well as their economic weight in the Community.

M. Ortoli accepted to-day that some countries might apply slightly different policies in special circumstances as they go now. What the Commission cannot accept is any suggestion that the members could be divided into two separate groups as a matter of principle.

The Commission is also clearly worried by Mr. Tindemans' proposal that the European Parliament be formally given the right of initiative in Community policy-making—liberty one of the main preserves of the Commission.

## PREMIER QUILTS

By Fay Gjester

OSLO, Jan. 8.

MR. TRYGVE BRATTELI, the Norwegian Prime Minister, will submit the resignation of his Cabinet to King Olav at to-morrow's Privy Council meeting and advise the King to call on Mr. Oddvar Nordli, Labour's Parliamentary leader, to form the next Government, the Premier told the Storting (Parliament) to-day.

## Madrid strikers defiant as labour unrest spreads

BY ROGER MATTHEWS

MADRID, Jan. 8.

MADRID'S 4,000 underground railway workers voted overwhelmingly this afternoon, to continue their three-day old pay strike and sent a telegram to the Chief of the Army General Staff asking that troops should be withdrawn from the Metro. Troops began operating a second Metro line this morning and hope to have a third in operation by late this evening.

Following yesterday's clashes between riot police and workers from factories in the southern area of Madrid, one industrial suburb was virtually at a standstill to-day. At least 30,000 workers are either on strike or locked out. Construction workers are also planning to join in, and there have been signs of growing labour unrest in other parts of the country.

This challenge to the first Government of King Juan Carlos has its origins in the difficult economic situation, but has now developed strong political undertones as workers link their pay demands to democratic liberties.

What had been expected two months ago to be a hot autumn on the labour front was effectively postponed by the long illness of General Franco, and only now is the regime facing the full effect of a high inflation rate matched to the officially-imposed ceiling on wage rises.

The Metro workers have been meeting since early this morning at a church in the south of Madrid, accompanied by the auxiliary Bishop of the city. Nearly 1,000 workers from factories in the area are occupying another church, surrounded by large forces of riot police.

Some of the biggest factories in Madrid, including Standard Electric, the IIT subsidiary, Chrysler, Kelvator, Siemens, Bosch, and the aircraft manufacturer CASA, are also hit by stoppages which began before Christmas as new pay negotiations became bogged down.

Kelvator has reacted by locking its workers out until next Monday, and other managements

are expected to adopt a similar stance. Encasida, the key steel company, was hit by a strike of nearly 7,000 workers this morning in Oreide and a shipbuilding company has locked out 600 of its men in Valencia for three days.

In the south of Spain, where agricultural unemployment is particularly severe, several farm workers and police were injured during a clash yesterday, and others were ejected from a church they had been occupying.

As the Government seeks to grapple with mounting labour problems, it is also coming under fire from entrenched members of the regime over statements made by Cabinet Ministers about the future political direction of the country.

The largest political association, UDP, formed under the auspices of the Prime Minister's earlier timid attempts at liberalisation, warned to-day that the constitution could not be modified without the agreement of the legally-established bodies, who alone represented the Spanish people.

## Lisbon promise to cut prices

BY PAUL ELLMAN

LISBON, Jan. 8.

THE Portuguese Government, faced with rising discontent over soaring food prices, to-day promised it would take steps to bring down the cost of living.

Following an all-night meeting, the cabinet said it would intervene to control the prices of certain foodstuffs while at the same time bringing in a system of earnings-indexation to compensate for general increases.

At the same time, came against the background of the threat of a fresh political onslaught from the left over austerity measures—including a wage freeze and severe increases in taxes—which the Government has introduced during recent

weeks in a bid to meet the rapidly deteriorating position of the Portuguese economy.

The Prime Minister, Admiral Pinheiro de Azevedo, and his ministers have been given a strong hint from the military leadership that it is concerned at the prospect of a further rash of left-wing unrest less than two months after the crushing of the November 25 rebellion.

Although government intentions were given in the state ment, few details of how they will work in practice were given and the bulk of the document was devoted to explaining that the present situation was due to the economic crisis

which the Government inherited. The pledge to bring down food prices was greeted with considerable scepticism by many observers.

Portuguese prices were in many cases the result of price controls which had discouraged Portuguese farmers from producing sufficient quantities of food.

At the same time, observers were puzzled by another government promise, to import food where necessary, in view of its announcement only two days ago that foreign exchange reserves currently totalled about the equivalent of the country's monthly bill for all imports.

## Polish protests may win State concessions

BY PAUL LENDYAI

VIENNA, Jan. 8.

FACED WITH vigorous protests by Polish intellectuals, scholars and artists against proposed changes in the 1952 constitution, the Communist Party of Poland, announced yesterday that the Constitution will preserve its "political and moral values."

He was addressing the first meeting of the Commission which was set up last month to draft the constitutional amendments.

Meanwhile the full text of a protest letter signed by 59 outstanding intellectuals and submitted in mid-December to the speaker of Sejm, the Parliament, has become available here. The letter was signed by Professor Edward Lipiński, the grand old man of Polish economics, Mr. Antoni Slonimski, widely regarded as the greatest living Polish poet,

the philosopher Leszek Kolakowski, Krzysztof Pomian, well-known writer and Catholic priest, essayists, lawyers and artists.

It warned that the projected constitutional confirmation of the leading role of the Communist Party would give a "political party the role of an organ of the State, neither responsible to the people, nor controlled by them. Such a provision would be incompatible with basic freedom. Worse still, it would rupture the continuity of national traditions and cease a threat to the existence of the nation, the open letter said.

The 59 signatories also demanded: freedom of conscience and religion; access to all positions of importance for all persons, regardless of their religion, political views and party affiliation; freedom of labour, including the right to

strike and to freely associate, for employees, since the trade unions are subordinated to Party bodies which in fact also exercise the State power. The abolition of preventive censorship and the possibility for cultural and religious organisations to set up publishing houses and periodicals, independent of the State, are also demanded, along with the freedom of science.

"There can be no freedom of science and teaching when the criteria for the selection of scientific personnel and research subjects are decided by the State authorities on the basis of political considerations," the letter stated.

The document was sent to Parliament with a covering letter from Prof. Lipiński who "certified the authenticity of the 59 signatures" and added that the Speaker will receive a similar petition signed by

300 university graduates students. Significant protest letter was addressed to the Communist Party leadership as copies were only sent State Council, the Party's formal representative in the parliament, and to the Secretariat of the Roman Catholic Priests.

In view of the expressed both public and private by respected figures it is now possible that the constitutional amendments will be limited, or planned, confirming "Socialist character." Polish State without sanctioning the leading member of the Communist Party drafted the amendments expected to submit the proposed amendments to Parliament.

## Trade fairs of world rank: Cologne Trade Fairs

## Programme 1976

JAN	20	International Furniture Fair*
FEB	02	ISM*
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FEB	12	DOMOTECHNICA*
FEB	15	International Fair for Household Appliances, Fittings and Components
FEB	14	International Housewares Fair*
FEB	16	International Hardware Fair*
FEB	19	Tools-Locks-Fittings-D+Y-Supplies
FEB	27	International Men's Fashion Week*
MAR	12	International Fair FOR THE CHILD*

\*Admission restricted to trade visitors

## AUG 27 International Men's Fashion Week\*

SEP	10	photokina*
SEP	16	World Fair of Photography
SEP	18	IFMA - International Bicycle and Motorcycle Exhibition
SEP	26	SPOGA* International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture
SEP	26	International Garden Trade Fair*
OCT	08	International Fair FOR THE CHILD*
OCT	10	FOR THE CHILD*
OCT	19	ORGATECHNIK Incorporating the International Office Trade Fair for Fittings and Equipment
NOV	03	IMS* International Fair of Clothing Manufacturing Machines

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## MOSCOW'S UNRULY FRIENDS

## The Communist schism

BY LESLIE COLLITT IN BERLIN

WESTERNERS may be surprised, but a Communist from Eastern Europe noted wryly: "The Soviet Union got the West in Berlin by mid-1975, has been steadily put off at each preparatory meeting in the East German capital. Here, the group of 28 Communist parties committed to a document acceptable to all parties found itself unable to agree, for example, whether the conference proceedings were to be made public or not. The issue became basic one as the independent parties refused to discuss the past tradition of closed and secret conferences with only a limited document and a list of participants to mark the event."

On the one side is the Soviet Communist Party and its East European allies. For them, Moscow still is the centre of the Communist world. To the west, a new Communist core is forming around the Italian and French Communist parties, which may have at least a share of power within their own national electoral means. Aligned with them you find the Spanish Communists, and for very different reasons the Yugoslav and Romanian parties. They do not agree on all issues, notably political pluralism but are united in opposition to the "organic unity of action" Moscow wants to restore between the two spheres of European Communism.

The Romanians are part of this group because they want to preserve their independence from Moscow; there is not the slightest suggestion of their letting up at home. The ideological rift has come to a head in recent months, although differences have long been building since early 1973 when the Soviet Communist Party decided it was time to hold a conference of European Communist parties. Moscow was seeking to reassert the forced unanimity achieved at the Kyrkov Vary Conference in 1967.

The independent-minded Communist parties were backing up the idea of a conference for very much the opposite reason. They envisaged it as a forum to debate different forms of co-existing socialism, an approach they still from the 1967 conference,

insist on and one Moscow has resisted up to the present.

The Soviet Union got the West in Berlin by mid-1975, has been steadily put off at each preparatory meeting in the East German capital. Here, the group of 28 Communist parties committed to a document acceptable to all parties found itself unable to agree, for example, whether the conference proceedings were to be made public or not. The issue became basic one as the independent parties refused to discuss the past tradition of closed and secret conferences with only a limited document and a list of participants to mark the event."

In East Berlin, a stunned silence

The drafting commission and its smaller working group were ordered at a preliminary meeting of all would-be participants to draw up a final document whose form and content, however, soon became another source of dissension. Some of the independent Communists resisted any kind of final paper, saying the purpose of the conference was to discuss differences openly and, at the end, to hear speeches by the party delegation heads.

They agreed only to making a statement of the most general nature from which all disputed issues were to be excluded. This left the Soviets with the prospect of a document that said virtually nothing about their role in the Communist movement in years to come.

Moscow would have obtained only vague references to peace, co-operation and progress, such as had already been expressed in the Helsinki declaration on security and co-operation in Europe.

The subsequent Soviet attempts to get more into the document and the resistance put up by the western parties, that the situation in Czechoslovakia be put on the agenda, and that Alexander Dubcek and other Czechoslovak reform Communists be given the right to present their views at the forum in East Berlin. That is more than any-

threatened to stay away again and were supported by the western parties.

Delegates had barely sat down in November to the preparatory session, in East Berlin, when word reached them from Rome of a development that bore directly on the future relationship between Moscow and the independent parties.

In Rome, the Italian and French Communist parties had just issued a joint declaration stressing the role of their communist parties within a pluralist western society, as well as their obligation to respect parliamentary institutions. Equally provocative was what the Rome declaration did not say. No mention was made of any specific international role for the Soviet Communist Party nor of its past services to the movement. Stunned silence in East Berlin greeted the news. The timing was a clear signal of intent by the two major western communist parties: they were calling on the Soviet Communist Party to renounce the hallowed principle that Communists once in power cannot tolerate opposition parties.

Although Moscow modified its first demands for a joint strategy that would bind all attending Communist parties, the draft document submitted in November through the East German host delegation still refers to co-ordinated actions. The phrase "proletarian internationalism," which to the Yugoslavs and the western parties smacked of Prague in 1968, has been somewhat softened to read "internationalist solidarity and co-operation." These changes, however, were not enough to satisfy the western Communists, who want to eliminate anything that remotely smacks of Soviet hegemony from the final summing-up.

If this were not enough for Moscow to handle, other demands have been raised. It is understood here, for example, that the Spanish Communists insisted that the situation in Czechoslovakia be put on the agenda, and that Alexander Dubcek and other Czechoslovak reform Communists be given the right to present their views at the forum in East Berlin. That is more than any-

one expects Moscow or its western partners to swallow.

Throughout the preparatory stage, the Soviet propaganda has been let loose both sides of the Communist divide. The Soviet ideological problems of Peace and 5 published an editorial, independent of the State, are also demanded, along with the freedom of science.

The document was sent to Parliament with a covering letter from Prof. Lipiński who "certified the authenticity of the 59 signatures" and added that the Speaker will receive a similar petition signed by

## Warnings ignored by western Communists

The early recalled the early postwar years when Communists were removed from the government of western states because they were able to organise sufficient support to take power. Western Communists as article as a Soviet-inspired party to the western parties sacrifice the goal of revolution for temporary advantages gained in coalitions with parties. This and other like it from Vadim Za deputy head of the Soviet Communist Party's internal section, have been ignored by western Communists.

Another warning from the French Communists, who made public their position preparatory talks, the Yugoslav Communists have hardly week past without telling prepared to listen that if foreign was deemed to be Soviet abandoned their "turn view" of other Communist parties.

Moscow seems at this stage to have given up on attaining the summit conference before the 25th Soviet Communist Party congress in late February. "It's a tragedy for Moscow," reflects one European whose views are unquestionably loyal to Moscow. "But he should have known cannot turn back the clock now."



# CAA plan to compensate victims of overbooking

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

OMPULSORY scheme for airlines to compensate passengers who lose their flights through overbooking is to be introduced by the Civil Aviation Authority (CAA) in 1976. The plan is to be introduced in the new year, but the CAA has not yet decided whether to introduce it as a new regulation or as a code of practice.

The scheme applies to all airlines, in order to ensure that passengers who are overbooked are compensated. The CAA has not yet decided whether to introduce it as a new regulation or as a code of practice.

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## Thames Water Authority may raise charges by up to 38%

FINANCIAL TIMES REPORTER

THE Thames Water Authority is known to have raised its water charges by an average of about 10 per cent for the year beginning April 1, and its general charges for sewerage and services by about 30 per cent.

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## Chemical industry uses less energy

By Rhys David, Chemicals Correspondent

Britain's chemical industry reduced its energy consumption by 4 per cent in 1974 while achieving a 5 per cent rise in output, according to an analysis published yesterday by the Chemical Industries Association.

The industry, which buys energy worth more than £100m a year, and generates another £60m worth from its own waste heat, achieved the reduction largely through good house-keeping.

Output last year is estimated to have declined by 10 per cent.

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## The case of the shrinking market

NEWS ANALYSIS—BAGGAGE

THE luggage bags market in the U.K. has been on the wane since the beginning of the decade. If anything, the deterioration has gathered pace, culminating in a 15 per cent contraction in the market, in volume terms, in 1975 compared with a 10 per cent decline in 1974.

To make matters worse, the market has been hit by a combination of factors. The first is the decline in the rate of replacement of old luggage with new, which has been a long time in coming.

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Barrow Hephburn and Gale, the large publicly-owned leather and tanning company, which has a near-30 per cent stake in the equity of Wood, has written off its investment in the company.

Barrow Hephburn's representatives on the Wood Board, Mr. T. Caddick and Mr. G. R. Odey, resigned two years ago.

At this stage it is thought highly unlikely that anyone will step forward to pick up Wood as it stands with its high level of indebtedness; the last set of audited accounts for the year ending 1973, showed secured loans amounting to over £2m.

The figure has almost certainly not decreased since that date. A far more likely outcome is that Wood will disappear altogether and that any interested parties will be more prepared to approach the Receiver to buy more attractive component parts.

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## BP Forties project beats gales

By Ray Dwyer, Energy Correspondent

British Petroleum has defied appalling weather in the North Sea to commission its second Forties Field platform and ensure that production is up to schedule.

Production from the field is now running at 75,000 barrels a day, and if the programme continues to run according to plan, should reach 250,000 b/d by summer.

The field, developed at a cost of £45m, is due to reach peak production of 400,000 b/d—equivalent to about 25 per cent of U.K. consumption—by April-June next year.

BP said that the second platform had been brought into operation despite some of the worst weather ever experienced in the North Sea—winds up to 90 knots and waves up to 50 feet high.

Four wells have now been completed on the first platform and a fifth is being drilled. More than 1,000 men are working offshore on the Forties development.

A third platform has all its major deck modules installed, while piling operations are continuing on the fourth platform.

Restaurant is sold

MR. ALAN DA COSTA's Empire Catering has bought the Caprice restaurant, at Arlington House, Piccadilly. The previous owner was Heritage Inns, which acquired it when the original Caprice closed last year.

Mr. Da Costa will re-open the restaurant in the spring as "Richmond at the Caprice" his fourth Richmond restaurant in London.

It is more than a year since Mr. Da Costa bought his company back from Grand Metropolitan Hotels for £2m.

FRENCH PLAN TO CUT MAIZE AREA

PARIS, Jan. 8. French maize producers intend to cut the area sown to maize in 1976 by 12 per cent, from the 1975 level of 1,000,000 ha, according to a survey by the Maize Trade Association.

The Association said deliveries in the 1975-76 season would be about 6.3m tonnes (4.9m), the same as predicted by the national cereals office in October.

Reuter

PLAXTON'S (SCARBOROUGH) LIMITED

(Luxury Coach Body Builders)

Extracts from the circulated statement of the Chairman, Mr. F. W. Plaxton, for the year ended August 31st, 1975 (48m).

Our Group activities produced pre-tax profits of £78,013 compared with £53,713.

Coach Division production in the first six months was seriously restricted by the shortage of coach chassis, and caused complications in the change over to our new steel framed 'Supreme' bodywork. We have a very healthy order book.

Repairs and Spares Division had a very good year, turnover in repair work and the supply of spare parts being considerably increased with consequent improved results.

Building Division had a very busy year and produced results far in excess of previous figures. Several large contracts were completed and our country-wide activities in the shopfitting field were expanded.

It is impossible at this time to forecast the outcome of the present year which must be affected by continuing rising costs and reduced margins. An optimistic regarding the longer term prospects given a curtailment of inflation and an upturn in national trading conditions.

## Sailing cruisers show revival but exports are still vital

By STUART ALEXANDER

A REVIVAL of interest in boats costing between £8,000 and £12,000, with sailing cruisers taking the largest share, has followed the Chancellor's Christmas lifting of credit restrictions.

But, as the Boat Show runs into its final three days at Earl's Court, it is export sales which are still most crucial to survival.

The European market remains strong, particularly West Germany, and the number of overseas visitors is expected to be up 25 per cent over last year.

There has been no across-the-board awakening in the home market and it has been selected, often better-established, companies which have been able to breathe a sigh of relief as the long-awaited cash flow help from U.K. buyers returns to an industry which had been severely depressed by credit restrictions and a VAT rate of 25 per cent.

The power boat section continues in the doldrums, buyers still shying away from the high tax and high running costs of a week-end fairweather plaything.

Buyers of sailing cruisers tend to be more committed and Western Marine, which has a whole range of boats in what has turned out to be the most active section of the market, report a picture should emerge over the next month to six weeks.

Importers are not expecting a real upturn until next year as they struggle to keep their prices competitive while watching their competitors enjoy the benefits of a favourable exchange rate in the stronger export market.

While new projects have been cut back, there are signs of a possible switch from power cruisers to motor sailers. In the Mediterranean, there is already a change to the more sporty image of the sail boat, though at a much more expensive end of the market.

One or two companies are ready to introduce motor sailers in the 25 foot to 35 foot range in the U.K. The Fisher range from Fairways Marine continues to sell well and Moody is also confident.

The opening of the 1977 Boat Show, which will also be held at Earl's Court, will be on January 5, a move which will please many exhibitors who complained about the New Year's Eve trade day and New Year's Day opening this year.

Finance houses have had to deal with a big increase in inquiries, including some for financing part-completed boats, but many people are shopping around for the best deal and to take advantage of a minor

Some MISCONCEPTIONS about insurance rates for ships using the Suez Canal were cleared up yesterday at meetings between a delegation from the Suez Canal Authority and leading hull and cargo underwriters from the London market.

The SCA delegation in London this week is led by Mr. Mahboub Ahmed Mahboub, the chairman, who met hull underwriters, headed by Mr. J. A. Oliver (Lloyd's), chairman of the Joint Hull Committee, and Mr. E. D. Rainbow, chairman of the Institute of London Underwriters.

It was emphasised by the London underwriters that there was now no surcharge for insurance against marine or war damage to hulls for ships using the Canal. But an additional premium may be paid at the option of shipowners to insure against ships being captured, seized or detained in the waterway for any reason, since this contingency is not covered under the London market's standard hull war risks clauses.

The current rate for hull war risks cover worldwide is 0.10 per cent for 12 months, and the additional "trapping" premium for Suez Canal transit is 0.05 per cent for up to seven days.

Underwriters denied earlier reports this week that a single transit could cost up to £25,000 in extra insurance cover.

It said that the increase would be 25 per cent.

## R-R car output up 8%

Financial Times Reporter

ROLLS-ROYCE MOTORS last year increased its car output by 8 per cent, Mr. David Plaitow, group managing director, announced yesterday.

Mr. Plaitow announced: "It is expected that when all figures are available, 1975 will show a 10 per cent increase in car output, which will be about 42 per cent of turnover."

Turning to car production, he said: "For the first time in the 10 years' history of the Rolls-Royce motor car, output has exceeded 3,000 in any one year, an increase of 8 per cent over 1974."



# Troubles ahead for patent law

BY A. H. HERMANN

PATENT LAW will become more complicated, patent protection of national markets more difficult, but opposition and revocation procedures should be rationalised when the European Patent Office in Munich comes to life. This may be next year. Such was the overall impression from a conference arranged in London yesterday by the European study conferences.

A panel of experts faced the task of explaining to members of the Chartered Institute of Patent Agents the complicated relationship between the Common Market Patent Convention and the European Patent Convention agreed earlier in Munich.

Mr. Edward Armitage, Comptroller General of the British Patent Office said that as a result of the two Conventions, an applicant will have the choice of a national patent, a European patent which might be covering selective EEC and non-EEC states, and a Community patent covering also all other EEC states.

It might be sensible to file a national application first and then a European patent application on the basis of priorities from the national applications.

The European patent would cover also the country of first filing for the national patent, but this could be allowed to die when the European patent was granted and was free of opposition.

The Community Patent Convention will have important economic effects, though licensing in principle will allow territorial restrictions, subject matter restrictions and exclusive licensing, as well as allowing actions against licensees who manufacture or market outside the territory covered by the licence. These possibilities will be greatly restricted by the application of EEC rules of competition.

**Exhaustion**

Perhaps the most important single provision is the extension of the principle of exhaustion of rights. In principle, if the product, which is put on the market by the patentee or with his express consent, the patent rights will not be exhausted and it will not be possible to partition the Common Market into parallel patents or licences.

This rule will apply to the Community and to national patents owned by the same person or persons having economic connections.

**Interpretation**

A doctors' leader said that the Department of Health "is apparently re-interpreting the contract again, despite us coming to an agreement with them on interpretation," and accused it of trying to "wriggle out" of the deal. "We feel the department has no wish to settle this dispute," he said.

Doctors in Blackburn—the last hospital in the militant North-West taking industrial action—decided yesterday to follow the national line of the British Medical Association and suspend action.

Dr. Wastly Sakala, chairman of the North-West juniors and a national executive member, described the Reading decision as "irresponsible".

"It is not helping our case at all to take this action while talks with the department are still going on," he said.

The juniors have agreed on another meeting with department officials on Tuesday.

**Progress at Press talks**

By Our Labour Staff

THE AMALGAMATED Union of Engineering Workers yesterday rejoined Fleet Street talks between printing unions and national newspaper managers about modernisation plans that will involve substantial redundancies.

Two other print unions, the National Graphical Association (which will be particularly affected by the plans) and the process workers' union SLADE did not attend the meeting yesterday after dropping out of talks last month.

The Newspaper Publishers Association said that "appreciable progress" had been made in preparation for further discussions next week.

Unions at yesterday's meeting, other than the AUEW, were the National Society of Operative Printers, Graphical and Media Personnel, the Society of Graphical and Allied Trades, the National Union of Journalists and the Electrical and Plumbing Trades Union.

They were discussing joint guidelines for the introduction of new computer-based technology, including voluntary redundancies—the NPA has agreed that redundancies will not be forced—peacocks and demarcation issues.

**Survey shows more teachers unemployed**

By Michael Dixon, Education Correspondent

THE NUMBER of teachers seeking work could be twice as great as the 3,911 officially registered as unemployed in September, according to a survey report released by the National Union of Teachers to-day.

The survey of 786 job-seeking teachers showed that 54 per cent of them had not registered with the Professional and Executive Register. According to the union, they could not have been included in the Government's return.

If the actual number of qualified people seeking teaching jobs in English and Welsh schools were in line with the survey's indication of about 8,000, this would represent a "real unemployment" figure of about 1.6 per cent of the schoolteacher force.

## Other Home News on Page 25

patent in one country and would be also affected by certain transitional provisions. Infringements will be determined by national courts and actions will be possible in the country where the infringement occurs or where the defendant has his residence.

The advantage of the centralisation of opposition and invalidation proceedings in the European Patent Office in Munich has been underlined by Dr. J. B. Van Benthem, president of the Netherlands Patent Office.

He has also said that the Luxembourg Convention will be a major legal issue arising in the course of infringement or revocation cases.

The court hearing them will have the possibility, and must attempt the duty, to ask for preliminary judgment from the European Court in Luxembourg. This will apply to the interpretation of rules of the EEC Treaty and of the Luxembourg Convention on the Community patent and to the interpretation of certain clauses of the Munich Convention for the European patent insofar as these are applicable to the Community patent.

# Tax ignorance hard to swallow, says QC

PROSECUTING counsel ended his opening speech in the £1.5m lump sum case at the Old Bailey yesterday with a comment that the jury might find it hard to accept that Mr. Michael Holly, managing director of J. Murphy and Sons, was ignorant of tax evasion methods alleged to have been adopted by the company and some of its senior staff.

Mr. John Leonard QC, for the Inland Revenue, said: "It is difficult to swallow that Mr. Holly had no knowledge of what was going on. He cannot resist being the fact that he is a senior man in the company, when many other people were aware of what was happening."

Mr. Leonard claimed that the company, one of considerable size and worth "a lot of money," had also benefited from the Revenue of tax on wages, alleged tax evasion and other means for its actions if it was between 1972-74.

In many cases there would be evidence that deductions of 10 per cent to 10 per cent were made from the gross wages of workmen before they got their money.

The jury might feel that some of these deductions had been kept in effect by the company or other subsidiary firms involved, though the defendant contended that there was nothing to show definitely that Mr. Holly was so, as any possible "rackets" could have gone to various people without the company's knowledge.

Mr. Holly, together with eight other defendants and two companies, J. Murphy and Sons and J. M. Pilling, deny any conspiracy to defraud the Inland Revenue of tax on wages, alleged tax evasion and other means for its actions if it was between 1972-74.

## ENTREPRISE DE RECHERCHES ET D'ACTIVITES PETROLIERES ERAP

PUBLIC CORPORATION OF THE FRENCH STATE (Decree No. 65-1116 of December 17, 1965)

Registered office: 7, rue Nelson — Paris (15ème)

9% bonds 1970-1982 of \$1,000

**Numerical list of the drawings including:**

I The series of the 864 bonds drawn by lot on December 23, 1975 (5th drawing by lot) making up, with the 736 repurchased bonds, the \$1,600,000 nominal amount to be redeemed on February 15, 1976.

12 455 to 13 670

II The numbers of the bonds previously drawn by lot and not yet presented for repayment.

Drawing of December 21, 1972 — Repayment on February 15, 1973

4 653 — 4 661 — 4 662 — 4 671 — 4 672

Drawing of December 21, 1973 — Repayment on February 15, 1974

17 889 — 17 890 — 18 029 — 18 030

Each of these Bonds is repayable at \$1,000 at the office of the First National City Bank, in New York, and at the offices of Banque Nationale de Paris, Paris — Banque de Paris et des Pays-Bas, Paris — Crédit Lyonnais, Paris — Banque Française de Dépôts et de Titres, Paris — Deutsche Bank A.G., Frankfurt-am-Main — Dresdner Bank A.G., Frankfurt-am-Main — Commerzbank A.G., Düsseldorf — Banque de Bruxelles S.A., Bruxelles — Kredietbank N.V., Bruxelles — Société Générale de Banque S.A., Bruxelles — Barclays Bank, London — Banca Nazionale del Lavoro, Rome — Banca Commerciale Italiana, Milan — Banque Générale du Luxembourg, Luxembourg — Kredietbank S.A. Luxembourg, Luxembourg — Algemeen Bank Nederland N.V., Amsterdam — Amsterdam-Rotterdam Bank N.V., Amsterdam.

Note: The bonds bearing the numbers 18 833 to 18 835 and not yet redeemed are under stoppage.

# Labour News

## Communists lose seats on TGWU executive

BY LORELIES OLSLAGER, LABOUR STAFF

TWO COMMUNIST Party members have lost their seats on the executive of the Transport and General Workers' Union in recent elections of the policy-making body.

The political complexion of the new executive, which takes office in March for two years, is still not finally clear because the full impact of some regional trends still has to be assessed within the union.

In addition, a number of the union's trade groups still have to nominate their members of the executive between now and March.

The situation is so confused that union members are interpreting the election results in totally different ways.

Some claim that there has been a definite shift away from the far Left, such as the communists, towards the majority bloc, just left of centre of the Labour Party, which supports the policies of Mr. Jack Jones, the general secretary.

Others claim that the political complexion of the executive is virtually unchanged, with new people on the far Left emerging.

This would be possible, as several members of the present executive did not stand for re-election.

**Leyland steward**

The two Communists who lost their seats are Mr. E. McCuskey, in the Midlands, and Mr. Sidney Easton, in London. Mr. Brian Nicholson, a prominent London dockworker, though a controversial Left-winger is not a Communist, retained his seat.

Mr. McCuskey was defeated by a key figure in British Leyland—Mr. Bill Roach, the senior shop steward at Leyland's Oxford body plant who has just been elected a member of Leyland's national car participation council.

Some union members thought one of the reasons for

Mr. Easton's defeat might be non-political. He will be 65 this year and would have had to vacate his seat before his two-year-term was up.

Mr. Easton is succeeded by Mr. Jack Beston, a Firestone shop steward said to be in sympathy with the policies of Mr. Jack Jones.

A third sitting member of the executive, a member of the Labour Party, was defeated in the North-east, but this is generally considered to be due to rivalries between various industrial groups rather than any political reasons.

A Labour Party member'd gain one seat formerly held by a Communist Party member in the Midlands, Mr. Golding, who has become a full-time official.

Altogether, 26 seats on the executive allocated to the 11 TGWU regions, were involved in the elections. The remaining 13 seats are filled by the trade groups through nominations.

# Leyland has £16m. worth of unfinished cars at Oxford

BY JOHN ELLIOTT, LABOUR EDITOR

BRITISH LEYLAND has made only a small improvement in the number of unfinished cars laid up at its main Oxford factory since Lord Sydenham's resignation of the National Enterprise Board, and Leyland executives appealed to unions and management for a new approach in Birmingham a month ago to-day.

There are still 8,200 cars worth £16m. at showrooms valued stored uncompleted around the Oxford assembly plant compared with about 5,500 to 9,000 a month ago.

This is mainly because inspectors and testers at the plant are still not working normally although efforts to clear the backlog have also been hit by the Christmas holiday.

Although no official warning has yet been issued, Leyland management will soon have to decide whether to stop assembly work and lay men off till the backlog of unfinished vehicles—Marinas, Maxis and Princesses—has been reduced.

The inspectors and testers are involved in a series of job grading disputes and are operating overtime hours to prevent problems which build up during working hours being cleared later. In addition, during normal hours, the men are also not working normally.

Leyland now hopes that talks with national union officials may help to solve the problem

which involves 280 men and started three months ago towards the end of a year which had seen reentering grading problems at the plant.

Meanwhile, preparatory work for the first meeting of Leyland's new national car council, expected to take place over two days on January 22 and 23, are continuing.

After the election of the six shop stewards to the council, Leyland has released the names of eight others which show that all Leyland's main car plants are being represented on the council.

The Amalgamated Union of Engineering Workers has secured the maximum representation with six of its shop stewards being elected while the Transport and General Workers has four, the Association of Scientific, Technical and Managerial Staffs has two, and there is one each for the Bollemakers and ALEX, the former clerical workers' union.

Peter Cartwright writes: Proposals for worker participation in Leyland's special products division were agreed at a four-hour joint meeting at Grantham yesterday and will be completed later this month before being circulated for general discussion.

The division, which operates on 10 different sites and makes a variety of products from tanks to fork trucks, is the last of Leyland's three divisions to draw up participation proposals.

# Transporter strike could hit Hollywood production

BY OUR LABOUR STAFF

PRODUCTION of Ford Escorts and Capris at Halewood, Liverpool, could be hit early next week as a result of a strike by car transporter drivers employed by Ford's biggest delivery contractor, Sitcock and Colling.

Similar problems may hit the Dagenham plant in Essex, which produces Cortinas and Granadas, later next week unless the strike over a pay and productivity offer is resolved at a conciliation meeting on Tuesday.

A company spokesman at Halewood said yesterday that the plant was running out of space in park the 550-900 cars coming off the lines every day. The position would be reviewed over the week-end.

"Things are looking a little bleak," he said. Sitcock and Colling delivers about 50 per cent, of the 1,600 or so cars produced daily at the two big Ford assembly plants. It also has contracts with British Leyland and other motor companies.

The drivers' shop stewards have been called to a national meeting in Coventry on Monday. The strike involves nearly all the 550 Sitcock and Colling employees at seven depots round the country, but hinges on complaints by about 150 transporter drivers that company demands for them to raise their average driving speed from 22 to 25 mph would mean a pay cut.

# Engineering employers, unions in £6 talks

BY OUR LABOUR STAFF

EMPLOYERS and unions in the engineering industry met under the auspices of the Advisory, Conciliation and Arbitration Service yesterday to discuss their differences over interpretation of the 55 pay policy.

No details of the talks were disclosed and a further meeting is to be arranged.

The unions are challenging advice given by the Engineering Employers' Federation to its member companies on how rises in earnings from the present national agreement should be offset against the 55 limit in consequent fiscal settlements.

The ACAS considers its involvement as a normal effort at mediation in a dispute between employers and employees, and not in any way as involvement in interpreting the pay policy.

The TUC and the CBI, in effect, have agreed that their respective members can jointly appeal to ACAS for arbitration if they encounter difficulties in observing the pay policy. But the engineering industry's case is not considered to come under this heading.

The Iron and Steel Trades Confederation plans to appeal to the TUC against the Government's interpretation of the pay policy which threatens to deprive several thousand of its members of between 45 and 55 they received under a productivity deal.

The Department of Employment has said that no money can be paid for productivity deal concluded after July 11, the date the Counter Inflation policy was introduced in a White Paper.

# Closed shops opposed

BY OUR LABOUR STAFF

ALMOST HALF of trade unionists and a "sizeable majority" of the public oppose the Government's legislation to legalise closed shops, according to an opinion poll published in the Economist to-day.

The poll, by Market and Opinion Research International, also shows that most trade unionists agree with the view that unions are controlled by a few extremists and militants.

The poll comes at a time of renewed controversy over closed shops as the Government seeks to throw out Opposition amendments to the Trade Union and Labour Relations Act which widened the grounds on which individuals can claim exemption from joining a union.

There has also been a revival of interest in union election results which have recently suggested a shift away from Left within the movement.

# Chairman

## SHIPPING CONFERENCES

- A MULTINATIONAL CONSORTIUM of transportation interests is to appoint a Chairman to take charge of two shipping conferences servicing Northern Europe.
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# Director of Finance

## c. £12,000

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Applicants must have achieved a substantial position in senior finance management with an international organisation and be able to offer evidence of rapid career progression in the broad field of financial analysis, planning and control.

Replies giving full details of qualifications and experience will be forwarded to the management consultants who are advising on the appointment and complete confidentiality will be observed.

**JWT Recruitment Limited, (DF/FT)**  
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A research officer is sought to assist with the preparation of the unit's publications. The Unit is a small research and publishing section of the Financial Times Limited, specialising in matters relating to banking and finance. The job requires intelligence as much as diligence. A graduate with a degree in economics, business studies or a similar subject is preferred. An offer of £3,000 per annum is offered. Please send brief details of age and education to Mr. Philip Brown, General Manager, Banker Research Unit, Financial Times, 10, Cannon Street, London, E.C.4. Telephone Number 57-268 8000.

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# COMPANY NOTICES

European Depositary Receipts representing common stock of AUBA S.A. are available. A subscription of 10 to 250 depositary receipts less any applicable taxes will be payable on or after December 31, 1975. 40% presentation of coupon No. 15 at the office of any of the following depositaries:

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COMPANIA DE ELECTRICIDAD DE LA PROVINCIA DE BUENOS AIRES (In voluntary liquidation)

NOTICE IS HEREBY GIVEN that the transfer books of the 31st Cumulative Preference Shares of the Company will be open for the presentation of claims on or after January 15, 1976, for the period from January 1, 1975, to January 31, 1976. The transfer books will be open for the presentation of claims on or after January 15, 1976, for the period from January 1, 1975, to January 31, 1976. The transfer books will be open for the presentation of claims on or after January 15, 1976, for the period from January 1, 1975, to January 31, 1976.

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# SOLVAY & CIE S.A.

The Directors of the Company have decided to increase the share capital of the Company from 100,000,000 to 1,000,000,000. The increase will be effected by the issue of 900,000,000 new shares of 1,000 pesetas each. The new shares will be issued at a price of 1,000 pesetas each. The new shares will be issued at a price of 1,000 pesetas each. The new shares will be issued at a price of 1,000 pesetas each.

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# DECCA LIMITED

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# CINEMAS—(Cont.)

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# PRINCE CHARLES, L.C. 437 6181

PRINCE CHARLES, L.C. 437 6181. 1.15-1.30, 2.15-2.30, 3.15-3.30, 4.15-4.30, 5.15-5.30, 6.15-6.30, 7.15-7.30, 8.15-8.30, 9.15-9.30, 10.15-10.30.

# SCENE 1, THE TOWERING INFERNO

SCENE 1, THE TOWERING INFERNO. 1.15-1.30, 2.15-2.30, 3.15-3.30, 4.15-4.30, 5.15-5.30, 6.15-6.30, 7.15-7.30, 8.15-8.30, 9.15-9.30, 10.15-10.30.

# SCENE 2, THE TOWERING INFERNO

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# SCENE 3, THE TOWERING INFERNO

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# SCENE 4, THE TOWERING INFERNO

SCENE 4, THE TOWERING INFERNO. 1.15-1.30, 2.15-2.30, 3.15-3.30, 4.15-4.30, 5.15-5.30, 6.15-6.30, 7.15-7.30, 8.15-8.30, 9.15-9.30, 10.15-10.30.

# ART GALLERIES

ANTHROPOLOGY GALLERY, 200, Strand, London, W.C.2. 1.15-1.30, 2.15-2.30, 3.15-3.30, 4.15-4.30, 5.15-5.30, 6.15-6.30, 7.15-7.30, 8.15-8.30, 9.15-9.30, 10.15-10.30.

# CARTOON ORIGINALS GALLERY

CARTOON ORIGINALS GALLERY, 200, Strand, London, W.C.2. 1.15-1.30, 2.15-2.30, 3.15-3.30, 4.15-4.30, 5.15-5.30, 6.15-6.30, 7.15-7.30, 8.15-8.30, 9.15-9.30, 10.15-10.



سكنا من لاجل

*Colonial Bank  
is granted  
Royal Charter  
to operate in the West Indies  
1836*

*Anglo-Egyptian  
Bank opens  
in Alexandria  
1864*

*National Bank  
of South Africa  
is established  
1890*

**The three banks  
amalgamate to form  
Barclays Bank (Dominion, Colonial)  
1925**

**Barclays Bank International Limited  
Report and  
1975**

**"The Annual General Meeting at which this report and accounts will be presented will be the fiftieth such occasion in the life of this bank. I am sure that we all face the opportunity and challenge which lie before us with the same confidence that our founder showed fifty years ago."**

These references to the golden jubilee of the bank are quoted from the statement by the Chairman, Mr Anthony Favill Tuke, for the year ended 30th September 1975. Copies of the full statement and report of the directors can be obtained by application to the Secretary, Barclays Bank International Limited, 54 Lombard Street, London EC3P 3AH.

Please send me a copy of your report and accounts for the year ended 30th September 1975. BLOCK LETTERS PLEASE

Name (with title) \_\_\_\_\_

Address \_\_\_\_\_  
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**BARCLAYS  
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Post to the Secretary, Barclays Bank International Limited, 54 Lombard Street, London EC3P 3AH.



## FINANCIAL TIMES REPORT

Friday January 9 1976

## Thamesdown

Swindon, which makes up most of the new district of Thamesdown, has come a long way since the time when it was mainly a railway town. It has adapted successfully to change and is now an established industrial community.

## Adapting to a changing pattern

THAMESDOWN, THE Wiltshire district council comprising Swindon, of which most people have heard, and Highworth, of which few people have heard, is in many aspects an example of how a predominantly industrial community has adapted successfully to change in the 30 years since World War II.

The roots of success of this 140,000-strong community lie that far back. For it was at the end of the Second World War that Swindon's leaders deliberately set upon a course to lessen the town's dependence for employment on the railway. Up to that point, it had always been a railway town. From the mid-19th-century, when Brunel's Great Western Railway had established its major workshops there, to the post-war high point when half the adult male workers were rail employees, Swindon meant railways; or for many at least changing trains.

The opportunity to change the district's employment pattern came with the decision by Swindon to encourage indus-

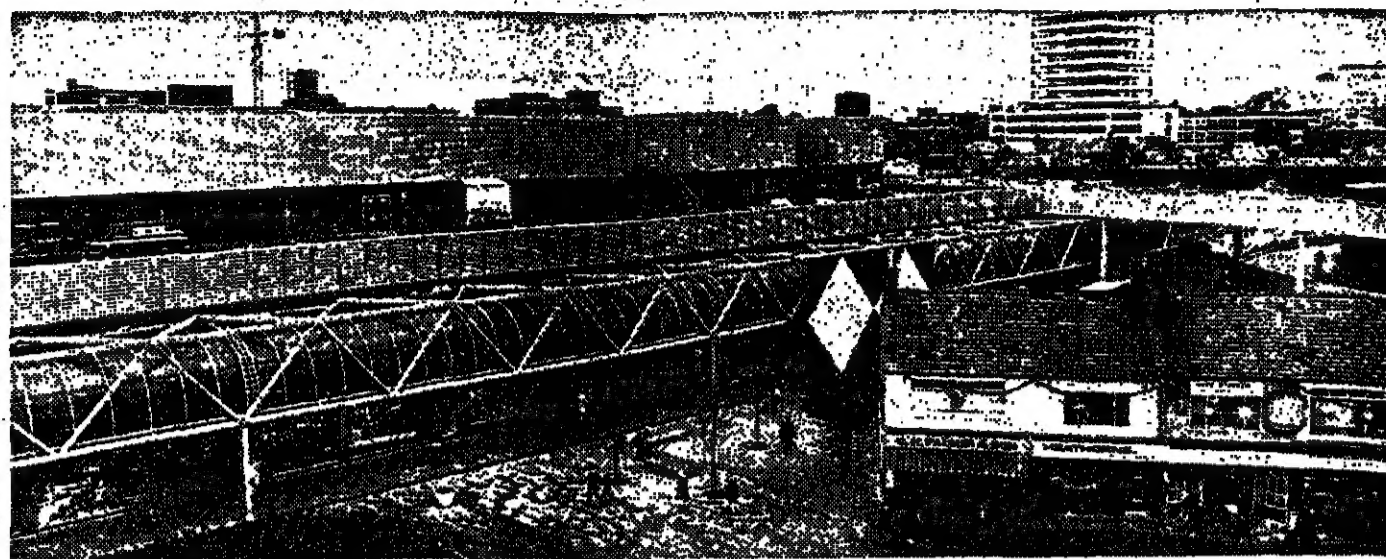
trial diversification, backed by the 1952 Town Development Act. It was this act which brought about industrial and population dispersal from the overcrowded conurbations to other communities capable of expansion.

Swindon's, now Thamesdown's success in implementing the act in concert with London, is indicated in the current statistics. For the latest available figures show that over 5,000 homes have been built for letting, and more than 100 firms attracted to the district by advantageous development of the district's industrial estates.

Only a handful of other towns, for example, Portsmouth, have shown the foresight which is enabling Thamesdown to weather the current financial storm. By diversification from railways to an industrial range which includes heavy engineering, electronics, electrical manufacture, servicing, cars, and a host of smaller enterprises, Thamesdown forestalled the worst effects of the Beeching rail cutbacks.

Until the latest economic crisis, first Swindon and now the district managed within limits to keep an admirable balance between industrial diversification, housing needs, expansion, and the inevitable rail run-down. Even now, though many enterprises are under pressure, the Swindon experiment may yet prove the key to curing the chronic imbalance so familiar in other parts of the country.

It is all, they will tell you, a matter of confidence. Even 15 years ago, the early publicity material promoting Swindon's



The Brunel shopping centre at Swindon.

This Report was written by Roger Beard

advisory Industrial Centre concentrated on selling the town as an established industrial community rather than some plot of land on which one might build a few speculative pilot factories. To-day, that confidence is still there.

Take the Town Development scheme itself. When first mooted, it was to be of advantage both to London and Swindon. The one needed to relieve its desperate housing shortage, the other to fulfil its gospel of controlled expansion and diversification. Now, the Greater London Council has realised that unemployment has come to London and that the purpose of the 1952 Act may have been largely superseded.

Under these circumstances the GLC has been forced to re-appraise its "expanding towns" policy, with a view to retaining employment in the London area. That they have been deferred Thamesdown, however, need not worry. Though economic circumstances may slow down the building programme for a workers. For not only would further 8,000 homes, the GLC fully understands that Thamesdown has been singularly successful in attracting work for Londoners from elsewhere.

Even the British Rail Works, where the workforce has been naturally apprehensive about together with aggressive local and private, has led to other redevelopment; most prominently of the town centre. Here, public buildings, office blocks, and retail complexes have been put forward last autumn for and continuingly, comes the large overall cuts in expenditure were due to come into increasing importance for the

operation this month. The news that they have been deferred for further management-union discussion has come as a double relief for the district's rail workers. For not only would the inevitable redundancies have struck the engineering works, of Western Region drivers and guards who work out of Swindon.

district, is the M4 motorway. Only two miles south of Swindon, this provides Thamesdown's diverse industries with easy access to the national motorway network.

The location speaks for itself. Under 80 miles from London, with some of the fastest trains on the British Rail network, Swindon is within easy reach of both the Midlands and the West.

To the plusses which have added up to successful diversification, must be added one other. Housing, both municipal and private, has led to other redevelopment; most prominently of the town centre. Here, public buildings, office blocks, and retail complexes have been put forward last autumn for and continuingly, comes the large overall cuts in expenditure were due to come into increasing importance for the

has been designed to cater for most of its residents' needs.

Inevitably, there are some shadows crossing what has become regarded by planners, industrialists, and local authorities alike as a success of common-sense ambition over stagnating apathy.

Unemployment is one such shadow. December's unemployment figure shows that Swindon had an unemployment rate of 6.1 per cent, similar to that in the rest of the South-West, but 1 per cent above the national average. In human terms, this is measured as more than 4,600 people without work, against an equivalent number this time last year of well under 2,000. Through no fault locally, the situation has had its effects on some of Thamesdown's more ambitious commercial projects.

Thamesdown, in common with many other towns, has at Swindon—an ambitious retail shopping complex, the Brunel Centre. Well designed, and aiming to attract custom from a catchment area far larger than Thamesdown's 140,000 people the Brunel Centre was regarded as another milestone in the progress of Thamesdown's development.

However, an interim district council report recently completed, has distinctly dampened this early enthusiasm—at least for the time being. The report projects a possible loss of over £1m. on the Centre over the next decade, rather than an expected substantial profit. Built at a cost of £17m., the Centre has been prematurely dubbed by some as a "white elephant".

It would take a fortune-teller to see how the Brunel Centre

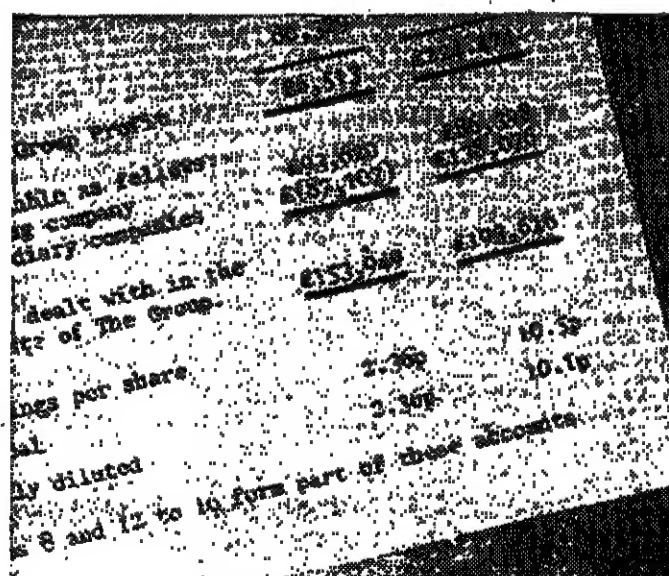
will eventually work out. tainly, it will take longer was once thought to achieve forecast return. Never its problems—such as dement disturbance and the up of trade—are faced by lar projects up and down country.

## Shopping

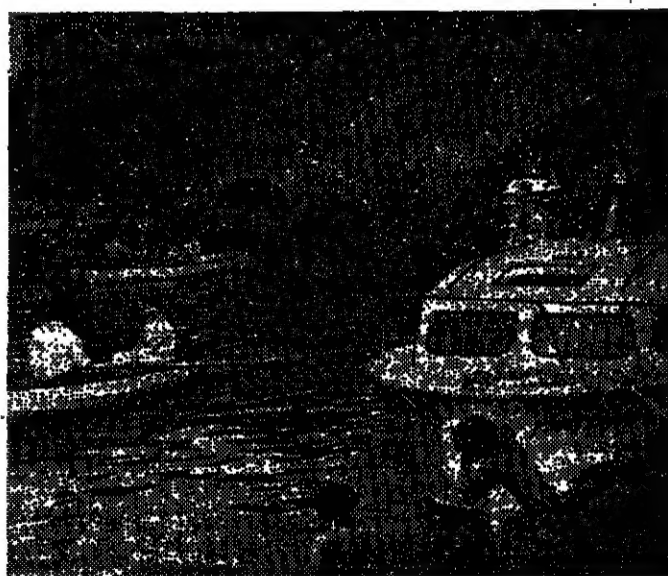
Shopping centres can be judged successful some after completion, and at when the economic climate more conducive to people ing money. Thamesdown past has created successful projects, as a mark of the di optimistic confidence in last year of well under 2,000. When the "boom" returns, suppose that a shopping plex as ambitious as Brunel not play a significant y Thamesdown's prosperity Swindon, now Thame can rightly claim to be the most successful of th war experiments in urban expansion and diversif More than 30,000 Lon have moved there, to vibrant very different the one they left. Indust all over the country has Swindon's confidence. Fe donors have returned metropolis, and few inc regretted their move to T down.

How much more the can expand depends on r economics and priorities has been done in the 1 years is the transformati railway town which wou died, to a healthy com with sufficient muscle vive the hardest economic

## Any company moving from London will find Swindon has less to offer.



Less rent



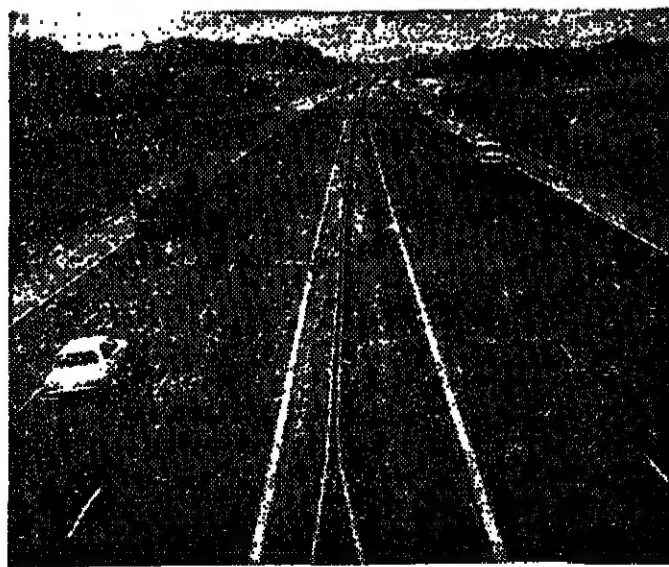
Less stress



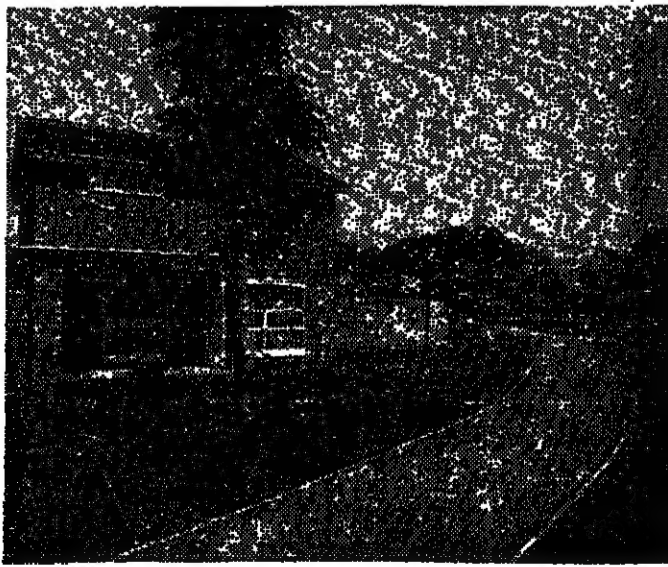
Less overcrowding



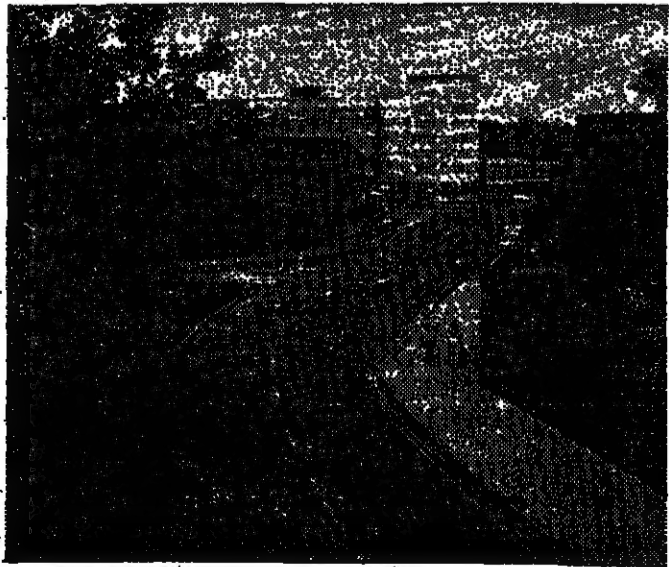
Less transport problems



Less time to Heathrow



Less housing problems



Less congestion



Less restriction

What more could you want. In Swindon you'll find friendly people, rolling countryside and some very good business reasons for considering the U.K.'s number one expanding town. And we can start by offering you further details from Industrial Development Officer Thamesdown Borough Council (Dept F.T.), Civic Offices, Swindon. Tel: 0793 26161.

**SWINDON** Borough Thamesdown

0793 26161



## THAMESDOWN II

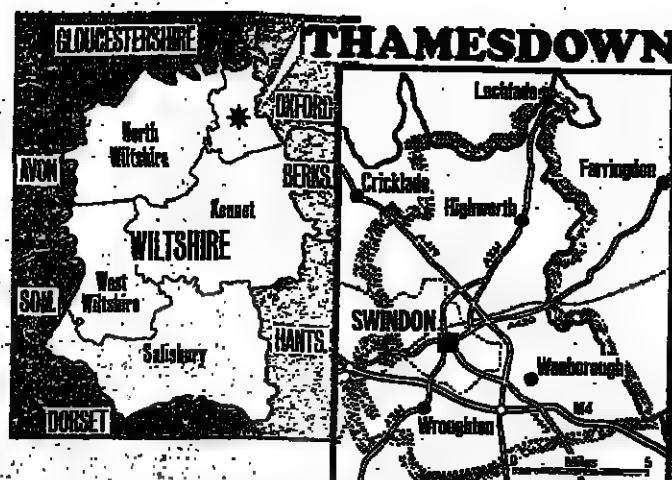
## Wiltshire gets its pleasure-dome

TWO YEARS' DAY saw the opening of Thamesdown's show-leisure centre, the £3m. Pleasure Dome, built and created by the council. Less than a month earlier, the same authority had turned down a planning application from private developers for a parallel project in the Swindon area, ting by coincidence the same

out. That private industry saw fit to duplicate leisure facilities easily available to Thamesdown residents, perhaps reflects a keen interest shown in Thamesdown in leisure pursuits of all kinds. In any event the developers may well appeal against the planning decision. In the meantime the Oasis Leisure Dome remains the municipal addition to Thamesdown's leisure facilities. First put forward as an idea in 1968, the Pleasure Dome is like a cross between a big hall and a futuristic hotel. In other words, it is a place where you can do anything you like. It has been renamed by the council to reflect its irreverent population. At London, it remains to be seen if the people will take to the notion of this essentially American concept.

## lazed

Outside holiday resorts, there is nothing quite like it, and there certainly no similar leisure complex in any other inland town. Let alone an industrial town. For leisure, rather than sport, is what it concentrates on. In a self-contained unit, it incorporates wide-ranging sports activities with other uses perhaps best described as adult "adventure play-land". Under a vast glazed dome, Thamesdown citizens are now to relax beside a kidney-shaped pool, complete with a sun-making machine and sun-banana trees, under ambered windows, and forget the bleak Britain of 1976. It is, were, bringing the West as to industrial Wiltshire. Whatever opinion one holds on such a facility, there are no doubts that the value of active leisure and leisure pursuits include both indoor and outdoor activities, the main sports hall can



double up as an entertainment centre capable of accommodating 2,000 people. Soccer, hockey, swimming, bowls, cycling, and even a conditioning room play their part in offering for a reasonable charge relaxation for both individual and group activities. It says much for the cohesion of Thamesdown as a community that they are able to develop this complex with facilities lacking in many communities of far larger population.

Pleasure Domes have changed greatly since the days of Kubla Khan, but Thamesdown is not. One of the most rewarding leisure amenities is the surrounding countryside available to the car-borne Swindonian within a matter of

minutes. Much of this countryside is as ancient as the Oasis is modern.

Avebury, Silbury Hill, and the Ridgeway are all close by, already ancient when the ultra-neat Cotswold villages such as Chipping Camden were first laid out. In its own way, Swindon, also, has not lost its early agrarian roots. Nor all the people who visit the Oasis will be workers from Swindon's factories. Many will be the descendants of those farming communities who used the town well before the steam engine was ever invented.

Closer in, but pre-Pleasure Dome, is a range of entertainments which already provide Thamesdown with a wide variety of entertainment, from golf courses, through professional

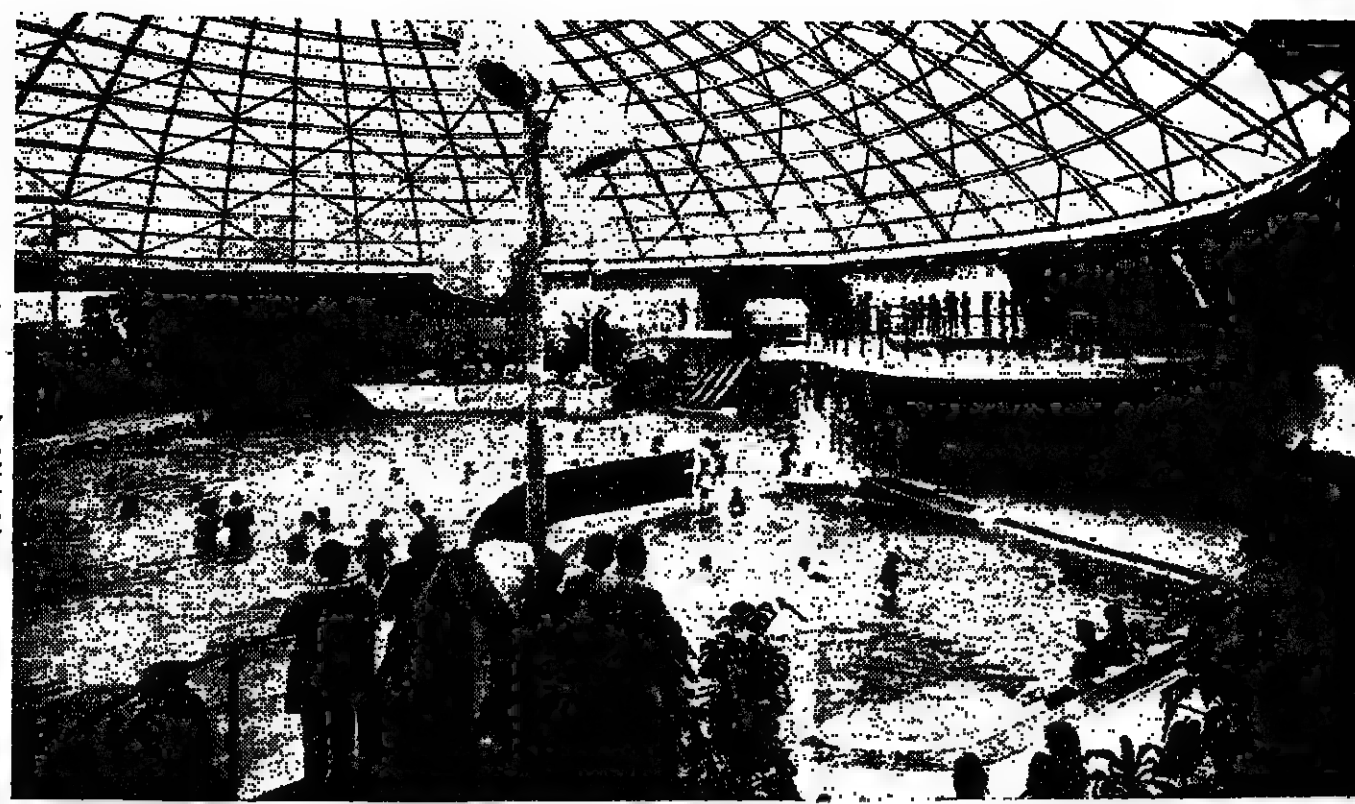
soccer, to speedway at the Abbey Stadium at Blunsdon. Swindon, curiously, is pre-eminent at speedway, attracting international stars to its team. To speedway, the spectator rage of the 1930s and late 40s, should be added greyhound racing, again at the same venue.

Participant sports at Thamesdown also reflect the mixture of town and country. Amateur soccer, rugby, and similar team games are well-supported, together with the more individual past-times of skittles and angling. Close by the upper reaches of the Thames, and within striking distance of the Avon, Thamesdowners can take in their fishing and the quietude of the rural countryside at one go.

## Theatre

The Council has also been responsible for the establishment of a theatre, the Wyvern, where professional companies stage a wide variety of repertoires again not available to other, theatre-less towns.

With the villages of four counties available, many people travel away from the centre of Thamesdown to seek their entertainment at the country restaurants and public houses which abound in the area. Some are quiet and discreet, while others continue the well-established West Country tradition of folk music, which has a large following in Swindon



The Oasis Pleasure Dome which opened on January 1.

Travelling further afield, to Oxford, Bristol, or even to London, brings the population within easy reach of the highest standard of entertainment in the arts and other fields. London, by fast train, is only just over an hour away.

Thamesdown is a district of entertainment contrast. The local authority takes a great interest in providing the facilities for participant entertainment and the arts, and through the necessities of redevelopment most of these facilities are modern. On the other hand, Swindon's setting gives the Thamesdowner a chance to relax from his work by stepping back in time into the wilds of the Cotswolds.

There is a legend in Swindon, sitting for a town that owes its existence to the railway age.

When Brunel's chief engineer was out lunching with his assistant in the late 1830s, they decided to throw a stone to see where the new railway station would be to join the recently completed two halves of the Great Western Railway. Where that stone fell, is where the British Rail Engineering works is now.

That is how modern Thamesdown started, and from the point of view of rural leisure the monethrower could not have done the townspeople a greater favour. For the rest, the man-made entertainment which this year has culminated in the Oasis, Thamesdowners can look to themselves and to that optimistic foresight of their elected representatives which has given them both prosperity and somewhere to make use of it.

## Our silver lining is beginning to show

It is no secret that the building industry has had set-backs, but for the Bradley Group the clouds have parted and there is more than one bright spot on our horizon.

More houses were sold in the last financial year (to April 1975) by E. H. Bradley Estates than ever before. Quick to react to the changing market, this company switched its emphasis to building for first time buyers and won them over with good design and solid construction.

New products and techniques successfully introduced by E. H. Bradley Building Products include a prestressed flooring beam system and a new concrete block to meet increased levels of sound and thermal insulation. Our continued experience in the technology of Glass Reinforced Cement has aroused interest in the UK and overseas.

Bradstone walling blocks are now made in even more shades, increasing the areas in which planners and environmentalists can use our reconstructed stones.

Europe offers great potential for our products and skills. Already we have some interest in housing on the Continent. The success of our recent venture at the Paris building exhibition indicates that we might expect rapid expansion within the EEC and beyond.

bradley

Edwin H. Bradley &amp; Sons Ltd.

Okus, Swindon, Wilts. SN1 4JJ. Tel: 0793 28131

## Maintaining an ambitious housing programme

THAMESDOWN OWES much of its growth, some would say, to those early years when it co-operated with the London County Council, in providing that city's inadequate housing with work and housing.

Housing, then, plays an undeniably large part in Thamesdown's thinking, both from the building of new property for the incoming and the renewal of the obsolete housing stocks left over from the heyday of the railways. As housing standards have improved nationally, so Thamesdown has endeavoured to keep in the forefront both of individual house design and community planning.

It is a process which has developed over the years, and one which continues with the current plans to remove the last of the district's sub-standard houses. It is notable for three reasons. First, the transformation of Swindon has met only with the slightest of opposition. Secondly, constant reappraisal of housing type and need has made it a planners' model.

Thirdly, and perhaps most remarkably, 50 per cent of the homes are owner-occupied.

To take the first point, few who remember old Swindon, with the old market town on the hill and the railway settlement in the valley below, would claim for it any title of outstanding beauty. In 1945, the population stood at 68,000, housed in a variety of properties from the substantial and historically interesting rail workers' village to other places which were as of low a standard as many of those from which the newcomers were eventually to come.

## Comparable

To-day, that has nearly all gone. Though some might disagree, what has been preserved has been preserved, and what has not been done away with. In its place is a town comparable with the best of the "new towns" and one which could well have been so designated along with Peterborough and Northampton, which do not appear to have done any better for all their "new town" status.

There are still one or two sticking points. In a town where half the homes are owner-occupied, there will inevitably be some private property standing in the way of ambitious

development projects, and policy, and alongside the development of pleasant residential communities has been the growth of health and social facilities, necessary for a district large now and likely to get larger. Old Swindon claimed to have built more council houses than any other municipal borough in the country.

## Claims

There are two other claims, both "firsts," indicative of the district's approach to social as well as industrial development. The Princess Margaret Hospital, Swindon, a multi-million pound 500-bed project, was the first post-war hospital built in the country, when many other areas were having to make do with Crimean conditions. On another front, 1946 saw the opening of the country's first municipal arts centre. Though the second claim may well be contested, it does illustrate a long-standing commitment in Thamesdown not just to bring industry to the area but to ensure the district is a fit place in which to live.

Schooling, too, has developed in a manner which makes Thamesdown a particular community. Through various stages in the 1960s, Swindon established a pattern of all-in comprehensive schooling. With Whit-

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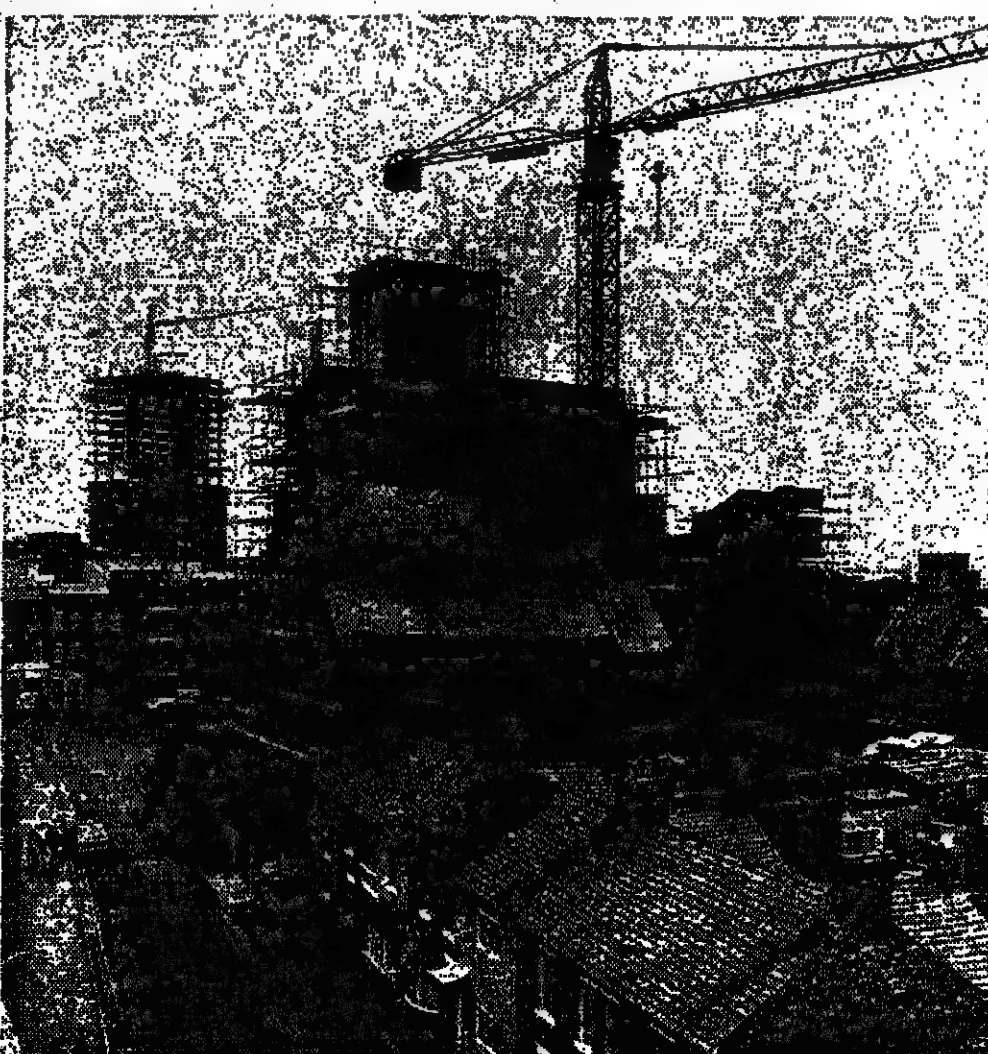
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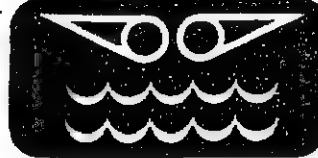
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# The Property Market

BY QUENTIN GUIRDHAM

## Mobil's search for Clements Inn

While the rent Mobil Oil has agreed on 90,000 square feet of Clements Inn is £3 a foot short of even the lower measurements of the Strand Wing of Arundel Great Court taken by Chemical Bank, the London Life Association has done a fair deal. As the picture on the right shows, there were plenty of problems in fitting a building to the site (apart from construction problems of keeping the noise down for the benefit of these in the Law Courts next door).

Also, the developers wanted a building which was easily divisible, either into the three tower units, or even to floor-by-floor in each tower. Apart from what are reckoned to be very good services, it is quite an achievement that let to one tenant, the space utilisation comes out so well on a site which appears to invite many Centre Point-style small floor headchees.

It is the first direct development in central London by the mutual life company—it had owned the site for 40 years—and even allowing for perhaps doubling the projected £3m. cost when the scheme started the policyholders have done well. Property holdings were in the Association's books last time at £60m. and surveyor Derek Brightwell has also had recent developments in Birmingham, Norwich, Exeter and Wolverhampton, plus industrial



Ashley Ashwood

estates at Harrow, Reading and the big Eurolink estate at Sittingbourne, Kent in conjunction with Associated Portland Cement. On that 100-acre site, Brightwell reports that about two-thirds of the 350,000 sq. ft. built so far is let.

Jones Lang Wootton and Donaldsons acted for London Life at Clements Inn. The initial asking rent in the first half of last year was £995,000, but that soon became unlikely. Equally unlikely, in a sense, was the appearance of a covenant as good

as Mobil's, and also a corporate policy among the oilmen of owning some of the equity in their premises.

## Spelling out CGT

A circular on property shares from brokers Le Mare, Martin suggests that after recent political "interference," it could "prove opportune for leading companies to include the contingent tax liability inherent on disposal in their balance sheets especially as so many of the leading companies are selling 'investment' holdings."

Le Mare, Martin's idea is that this could counter the argument that property companies do not pay enough tax and that it would also allow a more realistic assessment of takeover values. With virtually everyone having sold investment as well as dealing properties lately this is a fair point to aid valuation. This is in line with the Institute of Chartered Accountants' thinking. Ideally it should be something as bald as the Corn Exchange (admittedly it has only one building) spelling out the precise sum on present valuation. Others, including Capital and Counties, do include the CGT liability, though not so specifically, in their balance sheets. In some cases spelling out the full liability might only show how very hard it could be, even now, to make takeovers below the real asset value.

## A sort of Stock profit

During the boom period of 1972 and 1973 Stock Conversion was in the thick of the controversy over redevelopment in central London with the interminable discussions over Piccadilly Circus

and the shorter, but intense, row over Tolmers' Square. But unlike several other companies the group has avoided the problem of having large undeveloped sites, where there is no immediate hope of securing an adequate return by withdrawing from both projects. As this week's interim figures show, Stock Conversion has been able to emerge from both situations with a capital surplus.

## OUT AND ABOUT

Samuel Properties has let more than 40 per cent, making up 4,924 square metres, of its development at Ulmenstrasse, Frankfurt. Tenants are Chemical Bank New York Trust, Security Pacific National Bank and Merrill Lynch, Pierce, Fenner and Smith. The three U.S. companies will together pay more than DM1.7m. per year.

The first of C. H. Beazer's German developments, a 1,600 square metre office in Frankfurt's banking area, has been let. It was thought by some that the Deutsche Bank, which is nearby, might take the building, but it turns out to be the Deutsch-Scandinavisches Bank which has taken the building at Alte Rothenstrasse 8, Frankfurt am Main.

It seems that the asking rent, which was more than DM30 a square metre a month has been achieved. The letting was negotiated by Jones, Lang, Wootton.

City of London Real Property, the Land Securities subsidiary, has sold the freehold of 5/6 Birchin Lane and 2/6 Cowpers Court in London, EC3, to the Friends' Provident Life Office. There is 23,000 square feet of which 9,500 square feet is let and the remaining space (self-Office) over 25m were being sought last year. Richard Ellis acted for CLRP, Hillier Parker May & Rowden for Friends' Provident.

Artagon Properties has secured a big letting this time on the commercial side, with the

The Financial Times Friday January 9 1976

## Department of the Environment

actually under way and are writing-off interest on sites against current revenue.

offices at Apsley House, Wellington Road North, Stockport. The rent equates to £2.35 on a 25-year lease. Letting agents were Wether and Co. of Manchester, in conjunction with Edwards Son and Bigwood, of Birmingham.

Commerce moves deeper into tasteful Canonbury, and at a fair price: architects Trehearne and Norman Preston Partners, of Kingsway, London, W.C.2, are moving to Northampton Lodge, Canonbury Square, in N.1, a good Georgian building which has been modernised under the direction of Canonbury resident Sir Basil Spence. The usable floor space is around 4,400 square feet and the letting by Jones Lang Wootton is at close to the £28,000-a-year asking price.

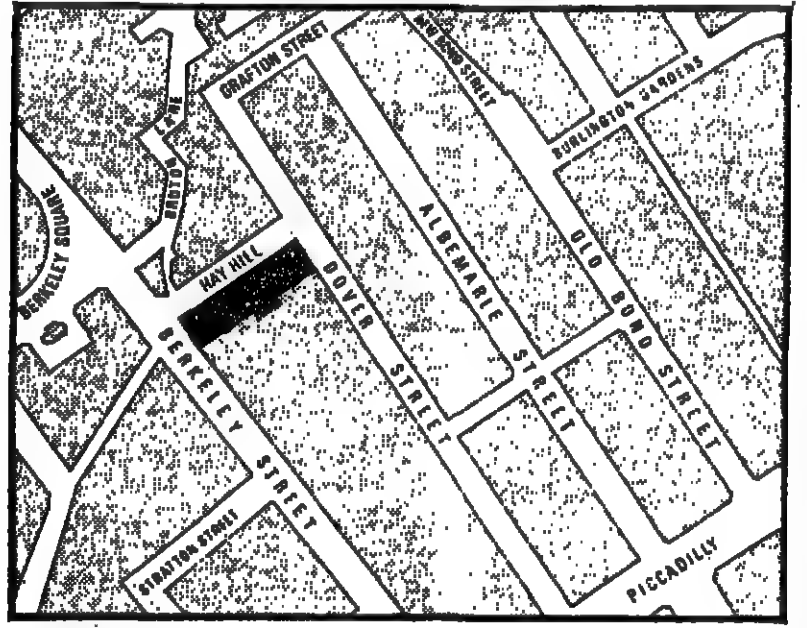
Republican National Bank of New York has sold its lease, expiring 1989 with a review in 1980, on 19/21 Davies Street, London W.1, to the United Bank of Kuwait. This is a typical Mayfair banking parlour, with a 36 feet frontage and ground floor space of 1,700 square feet. The rent is low but the speed with which the lease changed hands at something approaching an asking price of £100,000 suggests the health of this specialised market. Michael Laurie and Partners acted for the Americans, Hesley and Baker for the Kuwaitis.

Just over 24m. has been paid for a 90-year lease on the new Pippas Hill Industrial Estate, Basildon by institutional clients of Ratcliffe. There are 50,000 square feet on the 21 acre site let to a Carreras-Rothman subsidiary for £65,000 a year. After deduction of ground rent the yield is a bit more than 10.25 per cent. Vendors were represented by Messrs. Quirk and Partners.

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# The Executive's World

Rhys David examines how industry is having to face up to

## Tackling credit problems

A WIDE variety of explanations has been advanced over recent years to account for the continuing inability of British industry to match the competitiveness of its counterparts on the Continent, in North America, and in Japan. The days lost through industrial disputes, low productivity, and the need for larger enterprises giving greater economies of scale, were among the factors on which attention was focused in the late 1960s. More recently, lack of investment, bad management, excessive taxation, and Government interference—or alternatively the lack of extensive sector planning, as in France—have become the favoured theories, depending on the political standpoint from which the view is expressed.

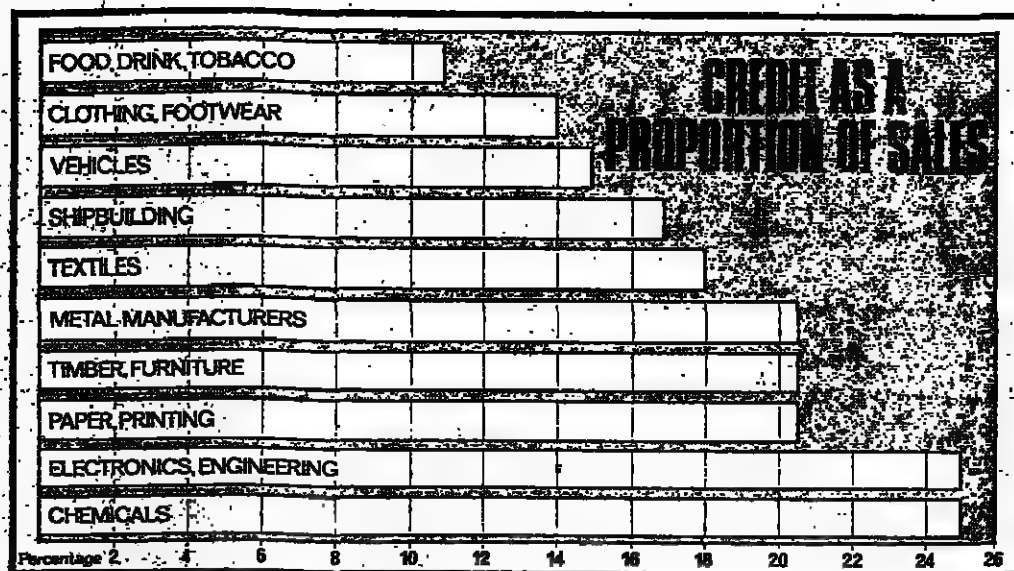
While each of these factors may have been important, one of industry's own commercial practices is now being examined within industry itself: the management of credit, a subject which is receiving the attention of financial experts in a number of major companies.

### Problem

The basic problem being tackled is the deeply ingrained view, shared by businesses and individuals, that bills are due to be paid not on receipt or even within a set period of days or weeks but, according to convention, by the last day of the month after receipt. Though many companies do stipulate a set period of days for payment, or a particular day in each month before which payment should be made, there is evidence to suggest that the practice is widespread. In the U.S. and Germany, however, a much stricter approach is adopted.

On the basis of statistics collected from a sample of companies in 1973, the average length of credit extended by manufacturing industry was 58 days, or 18.7 per cent. of sales. If industry is receiving as much credit as it is giving, the problem, of course, cancels itself out, but the figures in the sample show that when account was taken of credit received the companies were still extending net credit equivalent to 3.5 per cent. of sales. Furthermore, as the accompanying chart illustrates, different sectors of industry are affected to different degrees, with the heavy industrial and having to extend most credit.

Chemicals, for example, is particularly affected with credit extended equivalent to 20 per cent. of sales. At the same time the industry has to make prompt payment for its imported raw materials and so receives very little credit. Near the very bottom of the chart, the length of credit begins to taper off and, in consumer products, industries such as clothing and footwear, and food, drink and tobacco, companies are extending only half



the length of credit offered at the heavier end. In retailing the situation is likely to be even more favourable, though obviously much depends on the type of sales operation involved. Whereas department stores offering monthly accounts will have credit outstanding in mass retailing, the chain stores operating on a cash basis need to extend very little credit and can cover this several times over with debts to suppliers. In some cases with fast moving goods, such as some textile goods, the chain stores may actually be paying their suppliers after they have sold the goods.

Effectively what is happening, the chemical industry believes, is that credit is being passed down the line from heavy industry to the retail sector which is able to pass on the benefit to maintaining prices to the consumer. At a time of rapid price increases, the fact that retailers are being relieved of the extra financial burden which tighter credit control all along the line would bring may seem a positive bonus in the battle against inflation, but the longer-term consequences are a possible cause of damage to the economy as a whole.

Subsidy

In the first place the effective subsidy that is being provided by industry is another element which makes it possible for the small sector to price its goods very competitively. The effect is to stimulate consumption to the detriment of investment in manufacturing. Even more importantly, however, the practice of extending long credit means that an additional strain is being placed on working capital already under pressure from inflationary cost increases. The effects of inflation are already being felt in the substantial increases in working capital required annually by companies. ICI for example had an additional working capital requirement of £48m. in 1972, £98m.

Control

There is also the point that the more efficient companies which exercise tight control over the length of credit can be penalised if others are offering longer payment periods. For the longer period of credit becomes, in effect, a form of discount which can be used as a weapon in winning business. But although the difficulties which U.K. credit practice causes can be identified, it is more difficult to prescribe the changes that are needed and their method of implementation. Some companies already offer discounts for prompt payment while others adopt a tough policy with customers who are late, even at the risk of losing business. The present recession makes it difficult, however, for manufacturing industry to bring in a straightforward reduction in credit as this could have serious effects on many customers' businesses.

Yet a cutback in total credit, from the 68 days average to around 50 days—a period which would still allow customers plenty of time to receive and check goods and reconcile accounts—could make an appreciable difference. The money released would, on the basis of statistics for debt outstanding in 1972, be a minimum of £450m.

for reinjection into manufacturing—a sum which would go a long way to pay for the regeneration of British industry. By 1976 the figure is likely to be much higher.

As well as providing this once and for all transfer of resources from consumption into manufacturing, there would also be on-going savings as a result of releasing companies from the burden of acting as interest-free bankers to their customers. The task of providing companies with the extra finance would have to be taken up by the banks using normal banking principles.

The change would in fact mean the adoption within U.K. manufacturing industry of a more professional approach to credit management—an area where Britain lags well behind the U.S. In the U.S., where debt management is handled by credit specialists working with sales and financial colleagues, much more attention is given to assessing the creditworthiness of customers. This makes it possible to vary terms according to the type of business and risk involved. It also makes it possible to distinguish between emerging businesses, which perhaps need more leeway, and mature customers.

Sophisticated

Clearly, a move to a more sophisticated credit management approach would take some years and would depend on more than a handful of companies taking the initiative. The necessary stimulus might as a result have to come either from within industry as a whole or from the Government.

Like Common Market entry, adoption of the best international credit standards could be a further important move, however, towards greater efficiency within British industry, with companies now cushioned by long periods of credit, as well as those providing it, benefiting from a more disciplined approach.

## Warehouses as a speciality

BY NICHOLAS LESLIE

TWENTY-FIVE years ago, Mr. Rabi Khan was working as a tally clerk in the transport department of the Firestone tyre group. He had joined the company following his arrival in the U.K. from Pakistan with a degree from Calcutta University.

To-day, Mr. Khan is the head of a large independent warehousing group with a turnover of some £2m, and profits in excess of £400,000, and he has recently forged links which open up the Continental market for his company. Meanwhile, he must feel a sense of satisfaction in having Firestone as an important customer.

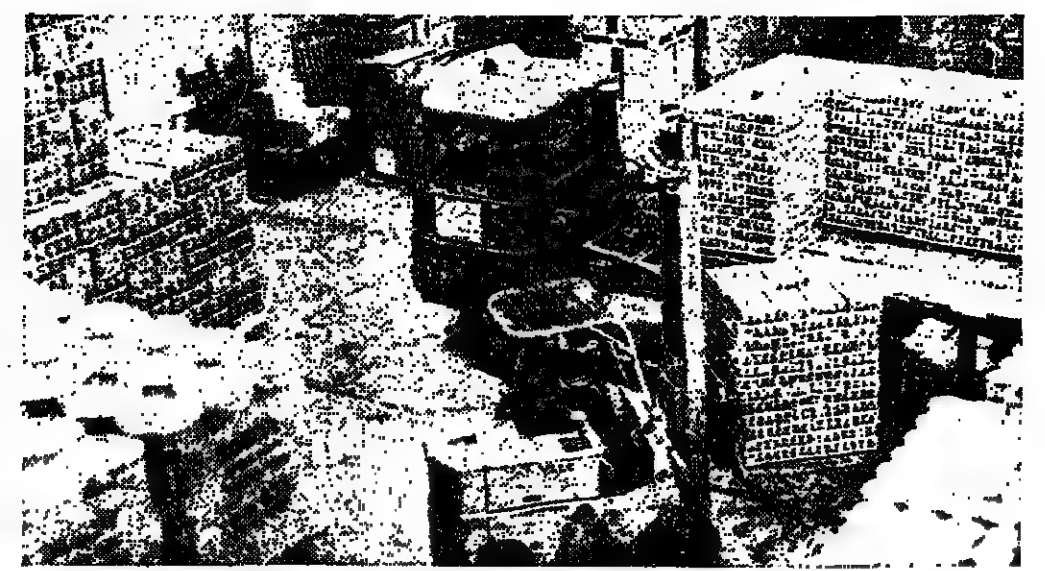
Mr. Khan's company—NMT Industrial Storage Group—has grown over the past 14 years from what was initially an operation run with a seat of the pants, gut reaction style of management into an organisation applying a considerably more sophisticated and planned concept.

While at Firestone, Mr. Khan spent some time at a warehousing company as Firestone's representative and was later enticed to join it. However, at the end of five years a situation developed which he was not happy about and a spot decision led to an abrupt departure at the beginning of 1961, leaving him without a job, with no apparent prospects and, as he admits, "I hadn't the foggiest idea what I wanted to do then."

But he knew quite a lot about warehousing and subsequently set about starting his own operation by asking banks and some old customers if they would back him for a trial period.

By coincidence, Firestone was to become his first customer, but prior to getting the business he needed to raise £30,000 to buy a short lease on a 35,000 square foot property in North Acton Road. This he eventually managed to arrange with his bank and a finance house, but not apparently without using a little brinkmanship in the process.

While he started out with no real management concept—his major preoccupation obviously being to get business—he nonetheless reckoned that there was "generally a low standard of service in the industry at that



Loading palletised canned food at the 350,000 square foot Haydock, Lancs., warehouse and distribution centre of NMT Industrial Storage Group.

time" and that this was a situation to be exploited. At the same time, he considered that a failing of many independent warehousing businesses was to tie in transport operations which took priority in terms of management effort and funds.

Thus, "I felt that I had to find out what the customer requires," he says. But almost before he really got started, he made a sizeable error. Under pressure for more space, he rented a basement in Queensway, in London, for a two-year term, paying rent in advance and without really surveying it. Soon after filling it, the basement was flooded. He removed the stock, closed the basement and never used it again. It was a lesson which clearly was to lead to his conviction that quality of premises is as necessary as service in achieving a successful warehousing operation.

Mr. Khan's second warehouse was at Park Royal, near the Guinness brewery and also close to his other property, which he managed to arrange with his bank and a finance house, but not apparently without using a little brinkmanship in the process.

Eventually, the cash flow situation improved to the point where he could start financing further expansion, but he only leasedhold financing is generally did this—as he does to-day—where he first had a customer to fill any new warehousing space. This applied also when borrowings.

he began building warehouses By maintaining continuous contact with the needs of customers, Mr. Khan feels he has developed a pattern for warehousing which, while initially more expensive, has stood him in good stead. He condemns some of the warehousing development in recent years as having been too cheap, too large for the site, and lacking in facilities and services.

"We put in higher headroom—we feel 34 feet is the best—bigger turning circles, sprinkler systems and other facilities, and we find that in the long run it pays for all concerned," says Mr. Khan.

While the company set out by offering a full management contract to its customers embracing receiving goods, stock control, handling and distribution, many in more recent years have taken on the management role themselves where they have felt well able to handle the particular operation themselves.

Now, there is a mix of some 80 per cent. managed and 40 per cent. let for security. The mix of freehold to leasehold properties is some 55:45, with leasehold financing is generally with pension funds and insurance companies, with freeholds largely financed through bank place.

Going where his customers want him has given Mr. Khan a network of warehouses embracing London (a total of over 800,000 square feet), Bristol (180,000 square feet)—with easy access to the M4 and leading to the M1, M5, M3 and M40—the Midlands and the North (around 900,000 square feet already built and more under construction at Haydock), and Scotland (810,000 square feet and a further 210,000 to be developed).

Mr. Khan has tested the water with transport over the years, but withdrew in the belief that it was too difficult to manage the two together in conditions prevailing. However, NMT has recently linked with Continental companies which have large transport fleets and he does not totally rule out expansion into transport some time in the future.

Intercontinental Storage and Distribution NV is a joint marketing organisation formed by NMT together with the Royal Netherlands Steamship Company (KNSM BV), of Holland, and Compagnie des Entrepreneurs et Magasins Generaux de Paris, of France, to promote and market collective warehousing, transport forwarding and air freight services. It is the operation through which a new phase of expansion should take place.

## Swiss job loss insurance

BY NORRIS WILLATT

WHEN YOU'RE not afraid of becoming unemployed, you don't bother about unemployment insurance; but once you fear you might be out of a job, you get very concerned about it indeed. This explains why only in 1975 the Swiss took steps to introduce for the first time ever a compulsory unemployment insurance programme.

For a whole generation up to that point, there had been no unemployment insurance in Switzerland; year in fact on the contrary, there period of 1974. Excluded from had been chronic over-employment. The number of showing the number of foreign those registered with the workers whose work permits had official labour exchanges as in not been renewed; and which search of a job was no more were estimated to total between 50-100 a year; while 100,000 and 150,000.

In this radically changed environment, the Swiss authorities not taking into account the several hundreds of thousands compulsory, contributory unemployment insurance programme, Spaniards, Yugoslavs, Greeks, and Turks) who had immigrated to Switzerland to take more menial jobs the Swiss did not want to do.

But, as a result of the wide recession of 1975, Switzerland, too, suddenly discovered unemployment. In November of the year, over 20,000 Swiss were officially registered as out of work, and though this represented only 0.86 per cent. of the total active population of some 3m, it was such a radical reversal of trend, that it had

the Swiss really worried. The end-November total, moreover, was nearly 30 per cent. higher than the October total.

Furthermore, apart from those who had lost their jobs, a good many Swiss were working the Swiss took steps to introduce for the first time ever a compulsory unemployment insurance programme. In November of the year, over 20,000 Swiss were officially registered as out of work, and though this represented only 0.86 per cent. of the total active population of some 3m, it was such a radical reversal of trend, that it had

the Swiss really worried. The end-November total, moreover, was nearly 30 per cent. higher than the October total. Furthermore, apart from those who had lost their jobs, a good many Swiss were working the Swiss took steps to introduce for the first time ever a compulsory unemployment insurance programme. In November of the year, over 20,000 Swiss were officially registered as out of work, and though this represented only 0.86 per cent. of the total active population of some 3m, it was such a radical reversal of trend, that it had

Climate

Then, the employers' associations were not interested. The country was in a climate of growth and full employment; and for many years looked like remaining short of manpower. The trades unions, while in favour of compulsory insurance, didn't like the Government's income, which varied from proposal for a centralised system. However, the authorities didn't give up, and set up a commission of experts to study the subject, whose proposals were the basis for the legislation now under consideration by Parliament. This was approved by the popular assembly, the

National Council, in the session before Christmas; it will be considered by the States Council (whose members are elected by the Cantons) in the spring.

If all goes according to plan, the necessary legislation should be submitted to the whole population (as it must be under the Swiss Constitution) in a national referendum in June, 1976. That means it could come into effect by January 1, 1977. Many Swiss, especially those already out of work, and those fearing they may be, wish the process could be speeded up.

Some of the cantons already have made unemployment insurance obligatory for people in lower income brackets. But at the end of 1975, only about 30 per cent. of all Swiss workers were covered, and that was half as many again as a year earlier. About 130 private unemployment insurance funds were in existence, some of which were financed by contributions of both employers and employees, and others (including funds run by the trade unions) by the employees alone; both the Federal Government and the Cantons helped with subsidies. But up to the end of 1974, only five out of the 25 full and half-cantons had introduced compulsory schemes.

On the other hand, during 1975, as the recession got under way, most of the other cantons hastened to follow their lead, including such leading ones as Zurich, Basle, Lucerne, Zug. The legislation prescribed compulsory insurance of workers up to a certain level of income, which varied from canton to canton. For example, in the case of Zurich, it was Sw.Frs.36,000 (£8,300); in Basle, Sw.Frs.39,000 (£7,300); but in Canton Tessin, where incomes tend to be lower, the ceiling was Sw.Frs.18,000 (£3,400). Although the cantons have jurisdiction over their own

qualifying period; the length and amount of benefits are the subject of Federal legislation. Thus, at the end of 1975, the State intervened to reduce the minimum waiting period before becoming eligible for unemployment pay from six months to one month; and increased the maximum period for benefits from 90 to 150 days.

### Contributions

Meanwhile, the plans for a nation-wide programme were going forward. Still to be decided was how the contributions should be made; what the amounts should be; and whether subsidies should be provided by the Federal Government, the cantons, or both. Probably, contributions, which would be shared between employers and employees, would be fixed at so much per mille (a thousandth part) of earnings.

One suggestion was that the deductions from pay should be consolidated with those for compulsory accident insurance; just as a single deduction covers retirement and survivors pensions, and invalidity insurance. If the Swiss were to run true to form, they would try, as far as possible to make use of existing institutions; and to leave to individuals some choice in how to effect the required coverage.

Finally, in Switzerland the proposed compulsory scheme was not simply designed to provide income for people out of work. It would also be used to help them find work again as quickly as possible, by contributing to the cost of retraining, moving house, and otherwise promoting mobility. Emphatically, the object was not to freeze people in existing jobs, or longer economically viable; but rather to further, where necessary, structural change.



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# The cost of welfare

SOCIAL SECURITY payments are now under fire from the heaviest gun of all: public opinion, including the opinions of working-class taxpayers. The latest evidence for this comes from no less a source than the new chairman of the Supplementary Benefits Commission, Professor David Donnison. It is the commission he heads that has to administer most of the payments to the poorest section of the community—including pensioners, the unemployed and the sick—whenever other benefits (for example from national insurance) fall below a certain minimum. This is no small matter: the total expenditure on supplementary benefits in 1974-1975 was £1,875m, compared with £1,085m in 1961-62.

## Means tests

Professor Donnison has described, in an article in the journal "Social Work Today", how many of the "working poor" feel deep resentment when they see discretionary payments made to social security claimants while they themselves are left "struggling". In this view the public is "currently more hostile about 'layabouts' and 'scroungers' than for many years past." This will come as no surprise to the more sensible of our politicians, including some of those on the Right of the Labour Party. It is also a natural social consequence of the steady lowering of the tax threshold in real terms in order to meet steady increases in the benefits, and a steady rise in the number of reasons for paying benefits.

From the point of view of the Supplementary Benefits Commission this change of mood makes it necessary to think carefully about fundamental policies. Should there be more universal benefits, of a kind that might concentrate payments in one package and thus keep them simple—or should there be more means tests? Should the aim be the highest possible payments, with no frills, or an extension of the already extensive discretionary system, which leaves it to Government officials to decide who needs a little

extra for coal, or help with rent arrears, or whatever?

The Commission is still "clarifying its own ideas" about some of these questions, according to Professor Donnison. Its view on the discretionary extras, the list of which grows year by year, seems to be summed up in his warning that "the whole tattered Christmas tree threatens to collapse under its own weight." It might be added that if this does not happen public opinion will push it over.

This could be disastrous for those genuinely in need. The welfare state is without doubt badly administered, and there certainly are people living on its benefits who really ought to be fending for themselves—but this does not mean that everyone could manage without its services or its transfer payments. One reason for the growth in supplementary benefits payments has been the increase in the number of retired persons living on state pensions that by any standards are barely adequate. Another is the rise, common to many advanced countries, in the number of genuinely distressed people—the unemployed with large families, the disabled, the chronically sick, and so on. It would be wrong to write these unfortunate off as "feckless" or "the undeserving poor."

## Public demand

What public opinion does demand is that taxpayer support is so far as possible limited to those who really are in need—those who are defined as the amount necessary to maintain a standard of life accepted by most voters as the decent minimum. This would still be costly, but at least the expenditure would be seen to be justified. To arrive at a definition of such payments, and a method of administering them (negative income tax? a single cheque from one agency with generally agreed rules?) there is a need to go back to first principles in an effort to design a more publicly acceptable policy. If this is leaves it to Government officials to decide who needs a little

MANY PEOPLE in the City have been highly apprehensive about the possible results of the Sandilands report since it appeared; and a week ago, when the City Capital Markets Committee was moved at last to say something about the subject, these fears were as much in evidence as ever.

Accepting the inevitable with as much grace as it can muster, the Committee respects the rituals—a major contribution towards the development of accounting techniques to deal with the impact of inflation in financial accounts—but even in this phrase, the reservations are perfectly clear: a contribution towards the development of a new technique is not quite the same thing as finding the answer. And no wonder: for the Committee fears some dire results.

Apart from a "painful reappraisal of the investment merits of many companies" which would no doubt be necessary as a result of any inflation accounting system—the Committee points out that Current Cost Accounting, the Sandilands proposal, would result, among other things, in reduced dividends, higher prices, a cut in investment spending, difficulties in obtaining bank credit, and a destructive shift in the burden of corporation tax onto financial companies.

## The critics' case

With support like this, one might conclude the Sandilands proposals hardly need critics; but of course if the Sandilands principles really do produce realistic figures, then the results are nevertheless the right ones. There is no reason at all why companies which are working at a loss should continue to enjoy a good credit rating, pay dividends effectively out of capital, or invest in order to make still bigger losses. The consequences will only be damaging if the reappraisal is unrealistic; and that, of course, is just the case which is still being argued by the critics of Sandilands, ranging from the radicals, like Professor D. R. Myddleton, who want to see the whole thing scrapped, to the moderate reformers—an impressive body of opinion embracing the accounting institutions, some stockbrokers, and the Capital Markets Committee itself—who want to see some modification: the CMC calls for a combination of Sandilands and accounting bodies' recommendations.

The fundamental issue, as those who have followed the argument know, is the treatment of net monetary liabilities during a period of inflation. The

original proposal from the accounts, a Constant Purchasing Power or CPP system, aimed to recast all the money figures in company accounts in "real" terms; so while there would have been higher figures for

Finally, because of the device of keeping stock profits in the accounts as "holding gains," CPP level, and in particular the Sandilands system would eliminate the disparity between the treatment of financial companies—who, as creditors, would lose heavily from the

to increase reported profits in the general to somewhere near the CPP level, and in particular the Sandilands system would eliminate the disparity between the treatment of financial companies—who, as creditors, would lose heavily from the

## ADJUSTMENT TO PROFITS FOR 1974

	GKN	TESCO	BARCLAYS BANK
A. CONVENTIONAL pre-tax profit	100 <sup>1</sup>	23	158
Sandilands adjustments			
Conventional depreciation	24	6	19
CCA adjustment	10 <sup>2</sup>	3	9
Opening stocks	180	48	0
Closing stocks	271	58	0
CCA adjustment	57	10	0
Adjustments to association's profits	6	0	0
CCA/operating profit (A-B-C-D)	28	10	149
Monetary adjustments			
Opening net monetary liabilities			
Short term <sup>3</sup>	12	51	-402
Long term <sup>4</sup>	117	8	04
CCA profit plus monetary gains <sup>5</sup>	60	23	90
CCA profit plus distributable holding gain <sup>6</sup>	34	20	72 <sup>7</sup>

<sup>1</sup> Adding back additional depreciation; <sup>2</sup> Company's figures from accounts; <sup>3</sup> Overdrafts plus creditors less debtors and cash; <sup>4</sup> Loans plus deferred tax; <sup>5</sup> CPP (Constant Purchasing Power) monetary gains on net liabilities, based on retail price index, which rose by 19 per cent. in 1974, and 30 per cent. in year to February 28, 1975; <sup>6</sup> The proportion of stock appreciation gained on stocks financed by net short-term monetary liabilities; <sup>7</sup> Adjusted for gain (loss in this case) on net short term liabilities only. \* Year to February 28, 1975.

## Percentage effect of different adjustments on conventional profits

	GKN	TESCO	BARCLAYS BANK
"Pure" Sandilands	-72	-57	-6
Sandilands plus monetary gain	-40	-4	-43
Sandilands plus distributable holding gain (or short-term monetary adjustment)	-66	-13	-54

Source: Phillips and Drew, and author's calculation of distributable holding gain.

depreciation, and the rising money value of a physically unchanged volume of stock would have vanished from reported profit, a sum would have been added back representing the fall in the real value of debts—a loss to the creditor and a "profit" to the company. The Sandilands system makes basically the same adjustment on the cost side—though depreciation and stock financing are adjusted according to the actual rates of stock and equipment price index. But there is no adjustment allowed for the falling real value of debt. This has three important results.

First, it produces much lower profits—Sandilands profits are on average less than half CPP profits. Secondly, by refusing to recognise any change in the value of money in general, the Sandilands system does nothing to protect all for banks and other financial companies whose stock in trade is money: hence the danger of a large and sudden shift in the tax burden.

depreciated tax liability would steadily build up in the balance sheet. This is in some ways the most serious flaw of all. According to one stockbroker's calculation, deferred tax would account for 25 per cent. of all balance-sheet values within three or four years. It is this which might make it very hard for companies to raise bank loans, let alone new capital issues.

## Proposals in the air

There are several proposals in the air to reduce these problems to a more manageable size. One is to use the Sandilands system to account for operating profits, but to add in the net gains on monetary liabilities on the CPP system. This would be an awkward marriage between CCA, which is essentially a cash flow system, and well-judged trading into distribution; but it could have a more general and more objec-

CPP adjustment—and companies trading in goods. However, the CPP adjustment has always been under attack as likely to encourage imprudent borrowing, and as presenting a false picture of what are in fact over-gearings. Most devastatingly, its critics say that CPP justifies borrowing money to pay dividends—even worse than distributing capital.

Is there any cure that is not in some sense worse than the disease? One possible answer is to be found in the Sandilands report itself. When it argues that while holding gains should always be shown separately from operating profits, they may, at the discretion of the Board, be treated as distributable (and therefore taxable) profit rather than as a provision to finance inflated costs.

As it stands, this is simply a way of allowing trading companies to bring the profit on to the balance sheet, but it could have a more general and more objec-

tive meaning. For the fact is that many companies normally finance a part or even the whole of their stock in trade with borrowed funds—bank loans or trade credit. A company which distributes the profit so made, and continues to finance its stocks in the same way, is simply carrying on its normal policy.

The clearest example, perhaps, is a grocery chain, which can expect to turn over most of its stock within the normal period for settling its bills. As the table shows, for example, Tesco had at the beginning of 1974 short-term liabilities which actually exceeded its stocks (by no means an exceptional state of affairs for this highly efficient company). The finance here is purely automatic: so long as Tesco continues to buy goods which sell rapidly, it gets the credit as part of the process of buying the goods. There is no reason in prudence or realism which demand that profits made in this way, on an operation financed outside the company, should be segregated in a reserve or bear no tax.

## No strain on a business

As the reader may have noticed, this notion of "distributable holding gain" is in fact the reverse of the "net gain on monetary liabilities." It suggests treating what may be regarded as an "inflationary" profit as taxable because it was made with the assistance of borrowed funds.

However, it seems to me an easier notion to understand. It accords with the ordinary notion of "profit," and it fits in with the general Sandilands principle that the first claim on a company's cash is to set aside the funds needed to maintain its business. All I have suggested as a general guide to prudent accounting is that a company which can normally expect to finance its stocks out of trade credit or overdraft facilities does not "need" to set aside additional funds of its own for the same purpose. Such gains can be brought into profit without in any way straining the business.

The drawback, of course, is that the lender gets no benefit from such an adjustment. A bank needs to set aside capital to maintain its capital ratios just as much as a manufacturing company needs to make realistic provisions for depreciation. The sad fact is that the more one tries to stick to Sandilands principles, the less one can do for financial companies.

One possible solution would be to adopt the CPP principle, but apply it to short-term funds only. This has been done for the Barclays Bank figures in the table. The result, since a bank is a net borrower long but a

net lender short-term, is to reduce the reported profits still more drastically than would be the plain CPP adjustment.

It does not, however, seem sensible to use the same CPP adjustment for trading companies: it is surely more sensible to declare as profit the money a company has actually made by employing borrowed funds rather than a notional gain from applying the general rate of inflation to its debt.

The table shows the result of the different forms of adjustment on the profits of the companies: as can be seen, inflation accounting in any form must mean a very painful reappraisal for some companies but surely either the Sandilands-CPP, or the modification I propose here, produces results which are more in accord with commonsense than undiluted Sandilands. A CCA adjustment shows how hard come under strain (strain in their capital ratios) from inflation. It also shows how Tesco and similar companies have come through in excellent shape.

The big difference is in its effect on a large manufacturing company like GKN, whose profits can be quite large "restored" by taking account of the CPP "gain" on its capital, but not if account is taken only of its short-term liabilities. It seems to me no sensible again to treat the term adjustment as an adjustment to a profit, but to relegate the CPP adjustment long-term capital to a focus on the effect of inflation on shareholder's interest, as Sandilands proposes.

## Repayments of capital

Problems remain—total the problem of deferred liability—though so far as modified Sandilands systems bring a proportion of holding gain into profit, the deferred tax burden is reduced. This really only be met by the Government; it is only when a Chancellor declares that deferred on inflationary profit will stay deferred until it returns to their 1973 level (until Doomsday, whichever the sooner) that this problem can be solved. Otherwise the Exchequer will stealthily but up a prior claim in every full liquidation, with incalculable consequences. But so far current profits are concerned it does seem that some adjustment for borrowing, on liabilities (or, I would suggest on short term ones only) would offer a more realistic basis for the reappraisal which the Capital Markets Committee demands. A reappraisal is overdue; but there is no need to invoke nightmares in the name of prudence.

# Towards the historic compromise

ONCE AGAIN Italy is without a government. The crisis this time has been caused by the withdrawal of Socialist Party support from the minority coalition led by the Christian Democrats: the Socialists had backed it but not participated in it. Apparently the party leadership felt that this state of affairs was disadvantageous in two ways: it did not give the party sufficient influence over government policy and it prevented it from seeking electoral support by attacking the government outright.

## Communist gains

There are two possible consequences: either there can be a new coalition in which, perhaps, the Socialists might be formally included in return for some direct influence on policy, or there can be premature general elections. At present, the former is the more likely, since neither the Christian Democrats nor the opposition Communist Party seem to favour elections before they are due in the spring of next year, and the Socialists themselves must be wary of going into an election campaign with their current negative image. It is, after all, they who have brought the crisis about and there is no evidence that it is a popular thing to have done.

Whether they take place this year or next year, however, there is no doubt that the elections will be of unusual importance both for Italy and for Europe as a whole. The story of Italian politics in the past two decades has been one of the steady advance of the Communist Party to the point where in the regional elections last June it won 33.4 per cent. of the votes against 35.3 per cent. for the Christian Democrats. In the 1950s the Christian Democrats regularly won over 40 per cent. and the Communists less than 25 per cent.

The Communist advance has been accompanied by considerable changes in tactics and by some notable successes in winning control of the regions;

the Party now, for instance, governs most of the major towns except Rome. Its officials have on the whole kept their hands clean and avoided extremism. For some time they have been advocating the establishment of a coalition between themselves and the Christian Democrats known in their own words as "the historic compromise."

Probably the dominant fact in Italian politics to-day is the realisation that such a coalition is becoming inevitable. It would require a spectacular recovery by the Christian Democrats or a spectacular setback for the Communists to prevent it, and for neither is there much time left.

## Atrophy

The question then inevitably arises of the outside reaction. Dr. Henry Kissinger, the U.S. Secretary of State, has been recently canvassing the view that a Communist share in the Government in Italy will lead to a Communist share in France, to an upsurge of neutralism and nationalism in the West German Social Democratic Party, and to an American withdrawal from Europe.

To many Europeans that will seem extreme, though it is an interesting fact that Dr. Kissinger should claim to believe it. It is at least possible that the Italian Communists have changed their strategy as well as their tactics and that they would observe the democratic processes if in office.

Nor is it certain that a historic compromise in Italy would inevitably lead to left-wing gains in France: it could well provoke a swing to the right. The real lesson, however, is for the Christian Democrats and for any other party which allows itself to atrophy in office. It is their failure to adapt rather than just the Communist successes which is bringing the compromise near, and only a last-minute transformation can change this fact.

# MEN AND MATTERS

## London unpromoted

"Road and rail communications the best in Britain. Build your new factory in London." Excuse the amateurish advertising, but does London need a campaign along these lines? Sir Reg Goodwin, leader of the Greater London Council, apparently thinks so, talking in the last few days of how the policy of dispersal now needs changing. "Regeneration" is required in London, he argues, because of the decline in London's manufacturing industry.

On the other hand, contrary views were expressed in a letter to the FT yesterday by David Hall, director of the Town and Country Planning Association, who declared that the main objective of dispersal from London to new and expanded towns "is and always has been to make possible the provision of better and more spacious living and working conditions." A curious sidelight on the issue is that even if Goodwin's view prevails, a legal ban, unenforced until recently prevents at the moment any attempt at industrial promotion in London. Goodwin hopes however that what he calls "a small local difference between us and our national government across the river" may be resolved by talks now going on.

It was the London Government Act of 1963 which specifically prevents the GLC from promoting London as a spot for new industry, a provision which presumably looked reasonable then because of fears that the South East was enticing industry and jobs away from the rest of the country.

In the last few days, the GLC has disclosed a loss of 500,000 jobs in its area since 1961, and expressed particular concern about the blight suffered by dockland. The 1963 Act has

thus, in this one respect, proved an embarrassment.

With the latest reorganisation of local government, the GLC reversed one bit of policy and joined the new Association of Metropolitan Authorities. The council had begun to reckon it had more in common with traditionally troubled urban areas like Tyneside and Merseyside than with other sleeker prosperous parts of the South East.

The AMA has started a "major study" of unemployment in metropolitan areas, though that will take at least six months to complete. According to an association spokesman "special attention" will be paid to the restriction on promotion for London.

## Says who

Ian Weston Smith, chairman of Morgan Crucible, starts a short statement with his interim results in wayward style. "Each and every politician, churchman, economist, industrialist and investment analyst, who enjoys the freedom to express opinion, is very busy 'hailing the morn in russet mantle clad'—and so they may, because things that love night love not such nights as these."

The first quotation, from Hamlet, is reasonably well known, but the second is more of a teaser. It is in fact King Lear: a case of being thrown by changing sources in mid-stream?

More than 250,000 pink and blue forms have been printed and issued by the Senate of Inns of Court, and these are expected to last the profession



"The cod might have been illegal, the staff were probably illegal, but the bill was certainly daylight robbery!"

about six months. A further quarter of a million forms will be printed to cover the second half of the year, and Sir Arthur Power, Secretary of the Senate said yesterday: "We hope as many barristers as possible will fill in these forms."

The forms come in two colours because the top copy will be attached to the barrister's brief when it goes to the trial court's taxing office for payment to be assessed, while the duplicate will be retained by his chambers so that his clerks can gauge whether the right money has been paid. The forms were planned after meetings of barristers last year, and are designed to show every aspect of the work which they

do on legal aid criminal cases. So far the forms have an official status with the Crown Court's taxing officers who work for the Lord Chancellor's office on statutory legal aid regulations. It is hoped however that there will be suitable liaison with them once the scheme gets properly under way.

## And the meek...

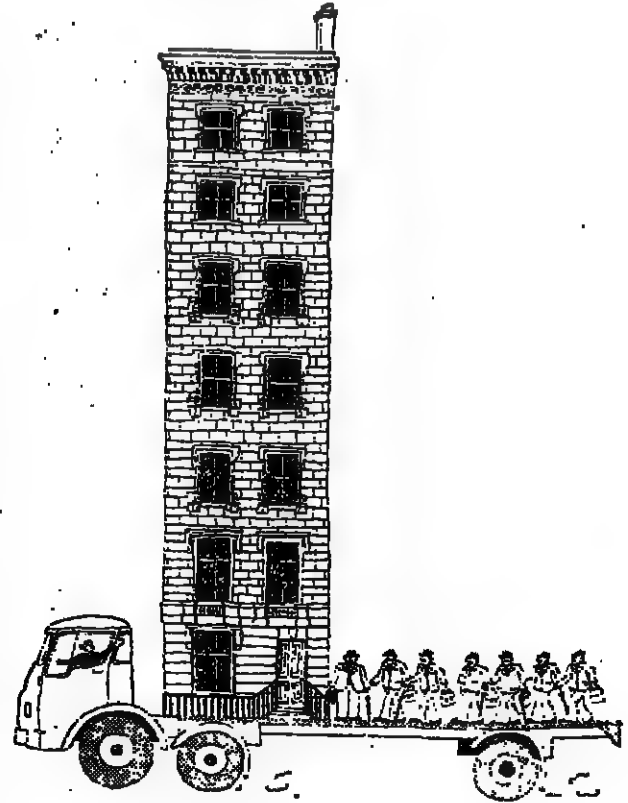
My colleague covering the Angola situation from Addis Ababa, gives one contributory reason for the confused reports which are emerging. In beautiful cabaret he explains, "assume my recent stories unwritten since I disappeared newspaper. Presumably these due sunspot activity which upscrambling many ex-Addis messages recently."

But even if he has had trouble communicating, at least one cynical story has emerged: the story has it that the Almighty looked down on the three warring liberation movements, and decided to offer the leaders of each movement just one wish.

He started with Holden Roberto, leader of the Western-backed FNLA, who hardly paused before requesting that the ground should open up and swallow Agostinho Neto, leader of the Soviet-backed MPLA. Neto, for his part, declared his wish that a bolt of lightning should descend from Heaven and destroy Holden Roberto.

Finally the Almighty turned to Savimbi, leader of UNITA, the weakest of the three movements in military terms, but the one sought in alliance, from time to time, by each of the other two. Humbly, Savimbi declared that he had no wish to make—save that the wishes of the other two leaders should be granted.

Observer



# RELOCATE IN NORTHAMPTON

Move your office from London to Northampton now, and you can save up to 80% on your rent and rates. What's more, your staff will save on fares and travelling time, and we can offer them rented housing, or there's a wide range of houses for sale at reasonable prices.

Northampton's little more than an hour from London by road and by rail, and we have offices to let at only £3 per square foot. We can also offer sites—in the centre of the established town, in our new district centre, and at our attractive new employment areas. And no ODP is required in Northampton!

Come and see for yourself. Give L Austin-Crowe BS: FRICS, our Chief Estate Surveyor, a ring at 0604 34734, or write to him at Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN.

Jeff not 10



# After the Ted and Maggie show . . .

There is, in fact, as the monetarists never fail to point out, no necessary contradiction between Friedmanite economics and an appeal to the working class. But in practice the lofty rigours of the monetarist approach do not go down frightfully well with working-class electorate which is probably still more worried about unemployment than about inflation. The most likely outcome of any Conservative argument about monetarism is therefore likely to be that in 1979, to be in play safe—to concentrate on the personality of Mrs. Thatcher (who turned out according to the polls to be an asset) and to attack the Government's "mismanagement." This is not a heroic or a radical strategy but it is probably the wisest one.

Deutsche Middenstandsbank N.V.  
 Deutsche Landesbank      Orion Bank  
 Deutsche Zentralbank      Limited  
 Deutsche Pfandbriefbank      Privatbanken  
 J. Henry Schroder Wagg & Co.  
 Limited  
 Strauss, Turnbull & Co.  
 J. Vontobel & Co.  
 Webeco Investments Limited

obvious to anyone working with European connections that changing back to GMT every winter whereby we are at a different time from Western Europe, has been disastrous. I submit that for us to be working at a different time from other members of the Community throughout the year would be fatal.

J. A. C. Munro,  
Director,  
Reefer and General Shipping Agency,  
3, Lloyd's Avenue, E.C.3.

Sir:—There is a report that every country in the European Economic Community should have the same time except Great Britain and Ireland. These two countries would always be one hour behind the others. Over the past few years it has become obvious to anyone working with European connections that the time difference after every winter whereby we are at a different time from Western Europe, has been disastrous. I submit that for us to be working at a different time from other members of the European Community throughout the year would be fatal.

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# COMPANY NEWS + COMMENT

## Allied Breweries £2.8m. increase

AGAINST THE expectation of approximately maintained profits, Allied Breweries has turned in £2.8m. for the year ended September 30, 1975, an increase of £2.8m.

Earnings for ordinary holders were £29.24m., compared with £27.50m. equal to 6.11p (5.36p) per 25p share. The final dividend is 2.18p for a net total of £2.20p (3p).

Because of a further £1.8m. rise in working capital there was less available for new investment. Capital expenditure was down £7m. at £33m. and total outstanding orders and authorisations stood at £32m., compared with £24m.

Some medium-term funding has been carried out resulting in the group's net cash position being improved by some £13.5m. The used facilities have been replaced and the total of above facilities remain under £40m.

Turnover	1974/75	1973/74
Trading surplus	1,712,029	244,997
Depreciation	10,714	17,320
Trading profit	1,722,743	1,262,317
Investment income	2,483	3,472
Associates	1,847	1,894
Finance charges	1,811	10,218
Profit before tax	66,199	59,344
Taxation	29,801	34,312
Minority	307	443
Preference div.	110	410
Earnings	35,291	24,359
Other gains	1,944	61
Available	37,235	24,420
Ordinary dividend	13,438	14,186
Less scrip	13,438	14,186
Retained	23,800	10,234

Excluding V.A.T. Profit. A number of items previously dealt with through reserves are now included in the profit and loss account; some of these which are of a capital nature are shown separately as gains and losses arising other than from trading (less tax) and comprise: Surplus on disposal of properties (including surplus on revaluations now realised) £3.19m. (£2.24m.), on disposal of investments £30,000 (nil), on redemption of debentures £1.28m. (£665,000) and goodwill written off £273,400.

Dividends from U.K. companies which were previously grossed up by reference to underlying corporation tax are now grossed up only by the tax credit. Statement Page 10 See Lex

### HIGHLIGHTS

Allied Breweries' results are mildly disappointing when compared with the other brewers, reflecting a different sales mix and some industrial problems. Clive Discount has announced satisfactory results but the market was apparently disappointed with the dividend. Lex also discusses the implications of the Brown Boveri Kent rights issue and profits forecast. Morgan Crucible's profits are down some 16 per cent. after nine months but the effects of the recent rights issue has left earnings considerably lower. Like Fodens, ERF has incurred substantial losses in the first half and it has been necessary to make large cuts in the capital expenditure programme.

## Hawkins & Tipson tops forecast

AGAINST A forecast of £1.1m. made at the time of the 3-for-8 rights issue in May, pre-tax profits of Hawkins & Tipson finished the year to August 31, 1975 showing an increase of 30 per cent. from £0.86m. to a record £1.2m. on a 31 per cent. increase in turnover. At mid-way, the advance was from £0.85m. to £2.49m.

Earnings per 25p share for the year are shown to have risen from 7.9p to 9.34p and the total dividend is lifted from 2.61p to the forecasted 3.23p net with a final of 2.53p.

Chairman, Mr. J. E. Hawkins, points out that the results were achieved in the face of the world wide trading recession and the destocking that followed.

The policy of modernisation has not been halted—£200,000 was expended during the year with a further commitment of £500,000 to follow this year. This outlay has sprung from a decision to increase productive efficiency to

cent. of sales, are said to have helped offset a continuing destocking situation in the U.K. The shares at 78p yield 6.6 per cent.

## Alliance Alders halfway progress

MANUFACTURERS of paper, etc., Alliance Alders, announces a 3 per cent. pre-tax profit expansion from £1.1m. to £1.18m. for the half year to October 31, 1975.

Earnings per 10p share are stated at 2.1p against 1.94p and the interim dividend is raised from 0.435p to 0.4675p. Last year's total payment was 1.1544p, from profits of £2.13m.

	1975	1974	1973
Group turnover	12,290	12,853	14,041
Sales to customers	10,326	9,719	10,543
Depreciation	22	24	25
Trading profit	1,133	1,181	1,390
Investment etc. inc.	43	57	109
Profit before tax	1,176	1,238	1,500
Tax	60	57	112
Minority	114	96	92
Attributable	812	891	943
Preference div.	3	3	3
Ordinary	114	107	93

Chairman Mr. A. M. Mendes reports that despite the adverse economic conditions which persisted throughout 1975, group trade was maintained at a reasonable level during the half year.

Since the end of October the share price has fallen, but the pattern of trade but any forecast for the four months to the end of the year could be misleading, he adds.

The financial position is strong and an investment programme is continuing. Particular attention is being paid to those projects which increase the effectiveness of its plants and service.

comment

Compared with other results from the paper and packaging sector recently Alliance Alders' first half performance—profits 71 per cent. lower before tax and the 1974-75 pension provision—looks remarkably healthy. Within a sales rise of 9 per cent., volume has clearly suffered a significant reduction but the control over production costs has improved largely as a result of increased efforts to achieve vertical integration. So far the group has seen no sign of any increase in sales volume and though cost saving benefits are still coming through profits for the full year are likely to remain virtually unchanged. However, that is still a better result than most companies in the sector are achieving and it is clear that the group has maintained its strong financial position (at the end of 1974-75 net cash stood at over £570,000), the shares yielding a price of 31p net of 31p at 36p look well supported.

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Mr. Keith Showering, chairman of Allied Breweries.

## DIVIDENDS ANNOUNCED

	Current payment	Date	Corr. payment	Total	Total
					last year
AGB Research	1.2	Feb. 20	0.98p	2.18p	1.22p
Alliance Alders	0.46	March 3	0.44p	0.90p	1.15p
Allied Breweries	2.18	March 1	2.07p	4.25p	3.9p
Allion Holdings	0.73	Feb. 18	0.5p	1.23p	2.0p
Clive Discount	1.01	Feb. 12	1.04p	2.05p	2.3p
Clive Holdings	1.01	Feb. 12	1.04p	2.05p	2.3p
Halma	0.56	Feb. 23	0.56p	1.12p	1.06p
Hawkins and Tipson	0.35	Feb. 14	0.31p	0.66p	2.61p
Hollis Group	0.80	March 30	0.84p	1.64p	2.44p
Provincial Cities Tst. Int.	0.48	March 3	0.53p	1.01p	1.57p
Steed and Simpson	0.5	Feb. 18	0.5p	1.0p	1.1p
Symonds Engineering Int.	0.28	Feb. 27	0.28p	0.56p	0.99p

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

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## Good start for North Midland Construction

The current year has again started well at North Midland Construction, and chairman Mr. T. G. Moyle says he is hopeful that the year ahead will be another profitable one for the group.

However, he adds, it is too early and too difficult to make a profit forecast, and measures taken by the Government to cut public spending may well reduce the total workload throughout the industry, and so increase competition accordingly.

As reported on December 15, pre-tax profit for the year to August 31, 1975, rose from £204,000 to £283,500 and the dividend is lifted from 1p to 1.1p net.

The parent again provided the main contribution to group results and the policy of selective tendering, light control and a greatly improved standard of contracting plant ensured that margins were not eroded in the very competitive field of Post Office duct laying.

It has also successfully extended its activities on the road surface side.

The chairman tells members that £274,353 has been spent on replacing and adding to plant and equipment and this programme of investment has been carried out without any undue adverse effect on the liquidity of the group.

ITC Pension Trust and ITC Pension Investments jointly hold 10.42 per cent. of the group's issued share capital. Meeting Nottingham on January 29 at noon.

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# They are not out of the wood yet

BY KENNETH MARSTON, MINING EDITOR

THE RECENT revival in demand for previously dormant shares of companies with important base-metal interests is, understandably, based on anticipations of a similar revival in metal prices. But reminders that the metal producers see no early end to difficult market conditions for their products continue to come along.

The U.S. zinc producers, for example, are still cutting their domestic prices. And in Australia, it is now being said that the four big iron ore operations there, Hamersley, Mount Goldsworthy, Mount Newman and Robe River, may consider themselves lucky if they do no worse than break even this year.

## Zambian copper

The outlook for the Zambian copper mines is further clouded by loss of the important Zambian transport facilities. And it is reported from Lusaka that Mr. Francis Kaunda, managing director of the Zambia Consolidated Copper Mines, has decided to open the new Kalulushi mine according to the managing director, Mr. David Philp. RCM were 170p yesterday.

## MARRA MAMBA DISAPPOINTS

Development of the high purity Marra Mamba iron ore deposits in the Pilbara region of Western Australia has received a setback following results of tests on samples recently undertaken by potential Japanese steel mill customers.

samples was not as enthusiastic as had been anticipated and it has been suggested that the lump ore may have to be sintered before being used in blast furnaces. It also appears that the finer ore will have to be further processed, possibly into pellets.

## ENEABBA COSTS STILL RISING

Total borrowings now arranged for Allied Eneabba amount to \$25m. (\$15.8m.) according to Mr. D. J. Straw, chairman of Allied Minerals, which has a 75 per cent stake in the Western Australian beach sand minerals operation, the remainder being held by America's Dan Pant. In June 1974, the capital cost was estimated at \$13.2m.

## ROUND-UP

The new Frs 43.3m. (\$4.8m.) Mafomet SA has been formed by the Pechiney Ugine Kuhlmann and Compagnie Francaise des Petroles groups. The joint venture company will regroup the partners' interests in uranium exploration and production.

obtained by South African Land and Exploration in a fifth defection of borehole W5 in the company's Witkop area. The highest gold result obtained from W5 in previous work was 4,503 cm. grams.

## Ayer Hitam's good output

A FEATURE of the latest batch of tin concentrate outputs for December is provided by Ayer Hitam with its best monthly figure since that for January, 1973. The latest output shows the mine's six-month total of 1,238 tonnes compared with 1,315 tonnes in the same period of the previous year but, as the chairman pointed out recently, Ayer Hitam's full output for the current year to next June could exceed that for 1974-75.

Most of the Malaysian mines, however, appear to be heading for reduced production in their current financial years and all have to live with the varying effects of tin export quotas imposed by the International Tin Council in its efforts to bolster the tin price.

Sungei Besi has now produced 1,438 tonnes for the past 8 months compared with 1,701 tonnes at this time last year. The mine's full 1975 total comes out at 2,580 tonnes against 3,077 tonnes for 1974. The group's latest output figures are compared below.

Dec. Nov. Oct. 1974 1973 1972

Ayer Hitam 148 147 112  
Sungei Besi 148 147 112  
Trompsburg 49 41 47

Delphi for the current year to next June could exceed that for 1974-75.

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# U.S. companies study Burmah Oil

A SPOKESMAN for Crown Central Petroleum, of Baltimore, which, jointly with the National Cooperative Refinery Association, of Kansas, is examining Burmah Oil's U.S. operations to permit the possible formation of an offer, said yesterday that the company was looking at Burmah's total properties.

But he was unwilling to comment on the possible financing implications of any approach which might be made following the investigation. In 1974 Crown made sales of \$412m. and had net earnings of \$10m. and net assets of \$178m.

Questioned whether this was a big enough base from which to launch a possible cash offer for Burmah's U.S. assets—valued at over \$850m.—by Burmah—the company secretary, Mr. William Schneider, said it was inappropriate to comment on financing.

On Wednesday, in New York, Burmah's New York financial advisers Kuhn, Loeb confirmed that Burmah had agreed to provide over comprehensive information about its U.S. business and properties to the two small U.S. oil companies.

Subsequently Crown Central itself and NCRSA said the information was being made available in order to help them decide whether they wish to make an offer. Crown emphasised that there was no agreement beyond making information available.

In the spring of last year Burmah announced that it wished to expand its U.S. assets and order of one of its large U.S. debt, which has been guaranteed by the Bank of England.

See Lex

RHP—MTE

The offer on behalf of Ransome Holdings for the Ordinary share capital of MTE has been declared unconditional. Acceptances have been received in respect of 3,011,978 shares (approximately 57.6 per cent.) of which 136,317 are in respect of the cash alternative. The offer remains open but the cash alternative closed January 7. The single-director product RHP to be issued are expected to commence to-day for special deferred settlement on February 3.

It is also announced that holders of the 8 per cent. Convertible Unsecured Loan Stock 1984-89 of MTE have sanctioned the scheme for the exchange of the stock for new shares.

GAAL's primary asset is approximately 18 per cent. of the issued capital of Chancery. Following completion of the acquisition GAAL will underwrite a rights issue of Ordinary shares and Floating Rate Subordinated

SHARE STAKES

Slater, Walker Securities and its sub, etc. no longer have an interest in 10 per cent. or more of the ordinary shares capital of Blundell-Perkins Holdings. Centenary Securities states that, as a result of the issue by RTD Group of 84,082 Ordinary shares in respect of an acquisition agree-

ment, the shareholding of Centenary, via its wholly owned subsidiary, Investments—, is reduced from more than 10 per cent. to 9.97 per cent. of the increased capital of 2,223,565 shares.

J. Sismore has purchased a further 4,000 Moran Tea Holdings shares at 100.5p and is now interested in 19.98 per cent. of the capital.

Convertible Unsecured Loan Stock, 1985, of Chancery to raise approximately £116,000.

As a result of this transaction, Scottish Offshore's interest in Chancery will increase to 20 per cent. and could rise to approximately 33 per cent. after full conversion of the loan stock.

In addition, Scottish Offshore has agreed to procure working capital facilities of up to £100,000 for Chancery.

Placing of Phoenix share block

As part of a review of its investment policy which has involved a decision to lighten its investment holdings in Ordinary shares, Friends Provident Life yesterday placed a block of 1.5m. shares in Phoenix Assurance with a number of institutional investors.

The price at which the shares were placed, by stockbrokers Cazenove, was not disclosed but, taking the overnight price of Phoenix on Wednesday of 208p, a value of around 23m. is put on the transaction.

The sale brings Friends Provident's holding in Phoenix down to 6m. shares or just over 10 per cent. The shares which it has sold were acquired in June of last year as a result of the Phoenix rights issue.

Padang Jawa gets offer

As a result of recent purchases at 13.25p per share Aries Holdings is now interested directly and indirectly in 50.1 per cent. of the capital of Padang Jawa Rubber Estate.

In compliance with the City Code a similar offer will be made to all other stockholders.

SCOTTISH OFFSHORE ACQUISITION

Scottish Offshore Investors has agreed terms for the acquisition of Geop Adams Associates ("GAAL") from Mr. D. F. H. Geop and Mr. M. P. L. Adams. Both directors of Chancery who will retain the significant interests that they each own in Chancery as individuals.

GAAL's primary asset is approximately 18 per cent. of the issued capital of Chancery. Following completion of the acquisition GAAL will underwrite a rights issue of Ordinary shares and Floating Rate Subordinated

BENJAMIN PRIEST

Benjamin Priest and Sons (Holdings) has allotted to the holders of its 10 per cent. Development of Integrated Developments a further 60,000 Ordinary shares in connection with the acquisition of that company in 1973.

# Record 1975 figures

New annual premiums for life would be published later in the assurance and annuities grew by year.

Among individual companies reporting yesterday was Guardian Life Assurance, with world-wide new sums assured, net of reinsurance, at £22m. (£1,569m.). New annuities amounted to £38m. per annum (£232m.). New annual premiums increased to £29.2m. (£243.3m.) while new single premiums were £12.9m. (£22.4m.).

CONFEDERATION LIFE ASSURANCE (OF CANADA)—The U.K. organisation business shows new annual premiums of £1.9m. (£1.9m.) and single premiums of £27,400 (£24,000).

NEW SUMS ASSURED (1985-7m.).—New sums assured £28m. (£28m.) under new group policies and £23.4m. (£21.1m.) under individual contracts. Total new annual premium income £11.8m. (£11.8m.) under life policies and £14m. (£14m.) under annuity contracts. In addition, new annual premium income under managed fund contracts £18m. (£18m.).

However, single premium business last year fell by 54 per cent. to £24.8m. (£24.8m.) and new annuities by 17 per cent. to £1.1m. (£1.1m.).

Mr. Kenneth Allen, chairman of the LOA, says these record figures represent an impressive vote of confidence in life assurance from the regular saver during a year of very high inflation.

The figures include all forms of life assurance and annuities, both U.K. and overseas, including linked life business, occupational pension and group life insurance schemes. A complete breakdown of the final new business figures

# Jessups (Holdings) Limited

Motor Vehicle Dealers, Commercial Vehicle Body Builders and Vehicle Leasing Specialists

## Improved results

	Year to 31st August	1975	1974
Turnover	£000s	12,250	8,495
Profit before tax	£000s	270	173
Dividend per share		1.265p	1.187p
Earnings per share		3.29p	2.06p

- \* Turnover and profit at record levels.
- \* Successful integration of recent acquisitions.
- \* Franchise interests performed well.
- \* Rapid growth of vehicle leasing business.
- \* Present year viewed with optimism.

Copies of Report and Accounts are available from the Secretary, 125-131 High Street, Stratford, E15 2QJ.

VAUXHALL, BEDFORD, OPEL, RENAULT, DATSUN, FORD

# Film groups merge deal agreed

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

AGREEMENT has been reached about 11,800 people in Paul in principle for control of one of the oldest and most well-known names in the sponsored film business—the Film Producers Guild—to be relinquished by the Charterhouse Group.

The consortium of film companies—which, although a commercial operation, has always been something of a father-figure in the film industry—is to merge with Cygnet—a privately-owned company which has seen a profitable growth in its activities over the past few years.

The Film Producers Guild became a wholly-owned subsidiary of the Charterhouse Group in 1969, when this relatively large operation was in danger of becoming an anachronism. (The producer operating from a desk with a telephone has tended to displace the big front office operation in sponsored films).

Present shareholders of Cygnet Films will take an 83 per cent. holding in the new company, to be known as Cygnet Guild. Charterhouse will retain a minority interest.

Mr. Rae Evans, who has built up Cygnet from a modest 16 mm unit to a group that now expects an annual turnover exceeding £1m., will remain the controlling shareholder.

The new company will undoubtedly become the largest sponsored film operation in the world, with not only other new Cygnet acquisitions, such as old-established Raynham Pictures, but also the opening of offices in Switzerland and the U.S.

All technical staff at the Guild have been offered employment in the new organisation, which will operate both from Cygnet's old headquarters at Bushy Studio, Hertfordshire, and the London offices of the Film Producers Guild in St. Martin's Lane.

The film and video distribution company, Guild Sound and Vision, also owned by Charterhouse, is unaffected by the deal.

For many people in the sponsored film business, this change-over will undoubtedly close a nostalgic chapter in film history. Before and after the Second World War the Guild was an unchallenged leader in the business.

Relay station opens to-day

THE Independent Broadcasting Authority's new UHF relay station at Fenwick, near Edinburgh, begins regular transmissions to-day carrying Scottish Television programmes on Channel 61. The local relay is expected to provide television reception for

# UniChem sales rise by 50%

UniChem, Britain's largest dependent pharmaceutical sale organisation, reports a 50 per cent. rise in annual sales in 1975 from £1.5m. to £2.25m. Even after allowing for a rate of inflation this represents a real increase of 33 per cent. says managing director Peter Dodd.

And he anticipates it will be accompanied by a "significant" advance in pre-1976 profit. Mr. Dodd points out the increase in turnover has been the result of a number of factors and at the same time gives retail chemists a "better" rebate.

Looking to the future, the continuing uncertainty, national economic climate, and the fact that the industry is not a "cash" industry, are all factors which make the future uncertain.

Decca to mail 190 redundant

DECCA, the radio and television manufacturing group, is to mail 190 workers redundant at Midlands plants next 19th of them will be from group's Willenhall factor, 100 from its plant at Loughborough.

The company blames a drop in sales.

At Lichfield, 35 workers lose their jobs with the closure of the Penson jam factor company, which supplies bakery and confectionery.

Blames the closure on economic recession. Whose loss to make 88 workers at its Darlington engineering factory near because of a fall in order

Motorcycle needs sponsor

THE CHALLENGE, a British motorcycle designed by a British and built by Norton-Cosmo Thunders, needs a sponsor to support it in racing. Norton said it cannot afford to support the machine.

# Clive Discount Holdings Limited

Interim Dividend

The directors of Clive Discount Holdings Limited have pleasure in declaring an interim dividend on the ordinary shares of the company of 1.00p (net) per share (£125,000) in respect of the nine months ending 31st March 1976 (equivalent to 1.33p (net) per share for a full year).

The group has made satisfactory profits in the six months to 31st December 1975 and if trading conditions continue to be favourable, the directors expect to recommend a final dividend of not less than 1.55p (net) per share to make a total for the nine month period of 2.55p (net) per share (equivalent to 3.40p (net) per share for a full year).

The dividend will be paid on 12th February 1976 to shareholders registered at the close of business on 23rd January 1976.

1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-263 1101

# Another great year for Scottish Amicable



## Mixed opinions in Japan

TOKYO, Jan. 8

## Akzo gives McKinsey a world-wide fibres brief

AMSTERDAM, Jan. 8.

domestic measures were concerned, there would be new talks with the unions in Holland in mid-February after which more measures would affect the non-production and the overhead sectors such as offices, laboratories, engineering, services and maintenance at Enka, in Utrecht, the unions stated. After their talks with the Enkelaar board, they planned would involve the loss of 800 jobs in this sector in 1976-1977.

Two industrial trade unions, who were aware of the planned Enka non-production staff cutbacks, expressed surprise at the new McKinsey study into the worsted Akzo chemical fibre activities. Their judgment. Earlier they had threatened industrial action against Akzo and Enka if the latter would persist in negotiating to international trade union delegations. At the time, the NVV had alleged that Akzo's policy was to transfer chemical fibre production to underpaid cheap-labour countries, throwing many workers in Europe out of work.

The huge subsidies to the chemical fibre market have hurt Akzo badly. The operating losses for chemical fibres amounted to Fl.290m. in the first nine months of 1975, but third quarter sales had picked up on the previous

## French steel merger indicated

**PARIS Jan. 8**

achieved a 1974 turnover of Rs.1,07bn. and an output of 913,000 tonnes is another manufacturer of wire rods, centred at Longwy near the frontier with Belgium.

The Boards of the three are not due to propound the full secret proposals until next week, but a trading ban was forced on the Bourse authorities by the rapid rise in Chatillon shares in recent sessions.

It is only when details are revealed that the scope of their plans will become clear. But speculation has already started on such issues as the giant steel tie: built on the expensive financial risks which exist through Peribas.

# Montedison details its re-organisation

ROME, Jan. 8

be found from group Resources and existing credit lines and would not require any "emergency" intervention (presumably a reference to extraordinary Government assistance).

Montedison had the capacity to create a "fully valid structure and the group intended to use it as a means of increasing efficiency and a more entrepreneurial character in line with the group's development objectives.

## For Tornado

STOCKHOLM, Jan. 8, said to be about Kr.75m. (\$6m.).

Last year Electrolux strengthened its position in the French, Belgian and Swiss markets by acquiring the Martin group, which had 100% of Martin in France, Nestor Martin in Belgium and Menalux in Switzerland. This group is one of the leading manufacturers of cookers, washing machines and washers.

The acquisition of Tornado will be subject to the approval of the authorities concerned.

## S.A. unit trusts under pressure

JOHANNESBURG, Jan. 8

[illegible]

**BRAZILIAN  
INVESTMENTS S.A.**  
Net Asset Value per  
Depository Share as of  
31st December, 1975  
U.S.\$88.80

### Recovery factors

The factors which set off the market recovery of late 1974 and early 1976 (the recovery actually began in late 1974) were (1) a general belief by Japanese investors that the Japanese Government would relax the severe monetary controls which had been in place since earlier, allowing the economy to recover from its prolonged recession and (2) a return of foreign investors to the Tokyo market.

## Air Canada expects \$C10m. deficit

FINANCIAL TIMES REPORTER

**AIR CANADA** expects to show a deficit of about \$Can.10m. for 1975.

In a year-end review the airline's acting Chairman, Mr. Pierre Taschereau, attributes Air Canada's expected deficit position to the uncertainties in the Canadian and world economies which adversely affected business and leisure travel as well as the movement of commodities.

"However, Air Canada's finan-

## Volksbank raises capital

**By John Wicks**

**ZURICH, Jan. 8**—THE SWISS Volksbank, of Bern, one of Switzerland's big five, to increase its capital from Sw.Frs.225m. to Sw.Frs.250m. in order to increase its equity ratio in line with the growing volume of business. The bank, which is the corporate form of a co-operative, will issue from January 21 to February 3 50,000 new Ordinary shares.

**New Issues**

These notes having been sold, this announcement appears as a matter of record only.

January 1976

# Can. \$35,000,000

## Canadian Pacific Securities Limited

**9% Guaranteed Notes due 1981**

Guaranteed by

### Canadian Pacific Investments Limited

Orion Bank Limited

Credit Suisse White Weld Limited    Dominion Securities Corporation Harris & Partners Limited  
Pierson, Halding & Pierson N.V.    Swiss Bank Corporation (Overseas) Limited  
Union Bank of Switzerland (Securities) Limited

**A. E. Angus & Co. Limited**  
Algemeene Bank Nederland N.V.  
Amsterdam-Rotterdam Bank N.V.  
Arab Finance Corporation S.A.L.  
Julius Baer International Limited  
Banca Commerciale Italiana  
Banca del Gottardo  
Banca Nazionale del Lavoro  
Banca della Svizzera Italiana  
Banca di Roma  
Bankers Trust International Limited  
Bank Gutwiler, Kurr, Baugener  
(Overseas) Limited  
Bank Leu International Limited  
Bank Mees & Hope N.V.  
Banque Arabe et Internationale  
d'Investissement (S.A.L.L.)  
Banque Branciforti Lambert S.A.  
Banque de Commerce S.A.  
Banque Française de Dépôts et de Titres  
Banque Française du Commerce  
Extérieur  
Banque Générale du Luxembourg S.A.  
Banque de l'Indochine et de l'Extr.  
Banque Internationale à Luxembourg  
S.A.  
Banque Nationale de Paris  
Banque de Neufbiz, Schlumberger,  
Maffet  
Banque de Paris et des Pays-Bas  
Banque Populaire Suisse S.A.  
Luxembourg  
Banque de l'Union Européenne  
Barings Brothers & Co., Limited  
Bayerische Vereinsbank  
Berliner Handels-  
und Wechselbank  
Blyth Eastman Dillon & Co.  
International Limited  
Brown Harriman & International  
Bankers Ltd.  
Burns Bros. and Denton Limited  
Capitalfin International S.p.A.  
Cassinese & Co.  
Chase Manhattan Limited  
Commerzbank Aktiengesellschaft  
Compagnia Finanziaria Interbancaria  
S.p.A.  
Continental Illinois Limited  
Creditoanstalt-Bankverein  
Crédit Commercial de France  
Crédit Général Société Anonyme de  
Banque  
Crédit Industriel d'Alsace et de Lorraine  
Crédit Industriel et Commercial

**Crédit Lyonnais**  
Crédit du Nord et Union Paribas  
Credito Italiano  
Darius & Cie  
Richard Daus & Co. Bankiers  
(vormals) Hans W. Petersen  
Deutch & Co.  
Den Danske Landmandsbank  
Dan uorska Creditbank  
Deutsche Bank Aktiengesellschaft  
Deutsche Girozentrale  
Deutsche Kassenbank  
Dewney & Associates International S.C.S.  
Dillon, Read Overseas Corporation  
Dresdner Bank Aktiengesellschaft  
European Banking Company Limited  
Finscor  
First Boston (Europe) Limited  
First Chicago Limited  
Robert Fleming & Co. Limited  
Antony Gibbs Holdings Ltd.  
Girozentrale und Bank der  
Oesterreichischen Sparkassen  
Aktiengesellschaft  
Goldman Sachs International Corp.  
Grossfeldt Inc.  
Halkey Stuart & Co. Inc.  
Affiliate of Raabe & Co. Ltd.  
Hambros Bank Limited  
Handelsbank in Zurich (Overseas)  
Limited  
Hessische Landesbank Girozentrale  
Hill Samuel & Co. Limited  
Interunion-Banque  
Istituto Bancario San Paolo di Torino  
Kassell-Osnake-Pankk  
Kleider, Peabody International Limited  
Kjøbenhavn Handelsbank  
Kleinwort, Benson Limited  
Kreditbank N.V.  
Kreditbank S.A. Luxembourggoise  
Kuhn, Loeb & Co. International  
Kuwait Financial Centre, S.A.K.  
Kuwait Foreign Trading Contracting &  
Investment Company (S.A.K.)  
Kuwait Investment Company (S.A.K.)  
Lazard Brothers & Co., Limited  
Lazard Frères et Cie  
Levesque, Beaubien Inc.  
Manufacturers Hanover Limited  
McLeod, Young, Weir & Company  
Limited  
Merck, Fiack & Co.  
Merrill Lynch, Pierce, Fenner & Smith  
Securities Underwriter Limited

**Mitsubishi Bank (Europe) S.A.**  
Sazawal Montagu & Co. Limited  
Morgan & Cie International S.A.  
National Commercial Bank  
(Saudi Arabia)  
National Westminster Bank Group  
Nederlandsche Middelstandsbank N.V.  
Nederlandse Creditbank N.V.  
Nesbitt, Thomson Limited  
The Nikko Securities Co., (Europe) Ltd.  
Nomura Europe N.V.  
Norddeutsche Landesbank Girozentrale  
Nordli Bank Limited  
Oesterreichische Landesbank  
Orion Pacific Limited  
Petersbroek, Van Campenhout  
Securities Société Anonyme  
First International Ltd.  
Société Générale  
Post- och Kreditbanken, FKBanken  
Privatbanken Aktieselskab  
Rabobank International Bank N.V.  
RBC Finance B.V.  
Richardson Securities of Canada  
N. M. Rothschild & Sons Limited  
Salomon Brothers  
Sal. Oppenheim jr. & Cie  
J. Henry Schroder Wang & Co. Limited  
Skandinaviska Enskilda Banken  
Smith, Barney & Co. Incorporated  
Société Bancaire Barclays (Overseas)  
Ltd.  
Société Finanziaria Assicurativa  
(SOFIAS) RAS Group  
Société Générale  
Société Générale Alsacienne de Banque  
Société Générale de Banque S.A.  
Strauss, Turnbull & Co.  
Svenska Handelsbanken  
Union Bank of Finland Ltd.  
Union de Banques Arabes et  
Européennes—U.B.A.E. Société  
Anonyme  
Union de Banques Arabes et Françaises  
—U.B.A.F.  
Verine- und Westbank  
Aktiengesellschaft  
J. Vontobel & Co.  
S. G. Warburg & Co. Ltd.  
Wardley Limited  
Webersteinsche Landesbank Girozentrale  
Wood Gundy Limited  
Williams, Glyn & Co.  
Dean Witter & Co. Incorporated



BY OUR WALL STREET CORRESPONDENT

EARLY PROFIT-TAKING was well absorbed on Wall Street today, and the strong upward movement made further headway. After opening 2.28 off at \$86.41, the Dow Jones Industrial Average advanced to 810.03, a 1 p.m. mark of 812.24 on the day and its best level in more than two years. The NYSE All Common Index further improved

Closing prices and market reports were not available for this edition.

45 cents to \$50.20. Trading was still active at 15.50m. shares, although down 3.2m. compared with 1 p.m. yesterday which was the third most active session on record.

Most analysts believe the Stock Market merely is "feeding on its own momentum," although they agree that lower interest rates under an easier monetary policy by the Federal Reserve System also are helping buoy market psychology.

On the interest rate scene, Chase Manhattan Bank announced a 4-point reduction to 7 per cent. in its prime interest rate, the move is the first by a major U.S. bank and is expected to prompt similar action by other banks. Yesterday the medium-sized Cleveland Trust trimmed the key rate to 7 per cent.

Polaroid moved up \$1 to \$33.1, Xerox \$1 to \$54.1, MCA \$21 to \$72.1, Fairchild Camera \$1 to \$42.1, Steel \$1 to \$70.1, and National Semiconductor \$1 to \$43.1.

Madison Square Garden climbed \$1 to \$4 following an offer by Gulf and Western Industries, unchanged at \$22.1, to buy up to 800,000 shares at \$24.1 a share.

Boeing-Warner Bank rose to \$23.1—it expects 1976 earnings to reach at least \$3.50 a share, up from \$2.50 last year. The American Sea Market Value Index rose 0.49 to 85.57, while the turnover dipped 490,000 shares to 1.7m. compared with 1 p.m. yesterday.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in moderate trading yesterday morning. The Industrial Share Index eased 0.08 to 177.21. Golds fell 7.97 to 254.56. Base Metals dipped 0.08 to 75.07 and Banks lost 0.20 to 248.84. But Western Oil put on 0.51 to 301.75. Utilities rose 0.03 to 129.15 and Papers firmed 0.03 to 97.32.

Motors picked up on news of improved sales levels in December and for all of 1975. Ford Motor of Canada added \$1 1/4 to \$72.1.

while General Motors were \$1/2 higher at \$80.1. Dome Mines lost \$1 to \$34.1 and Canadian Imperial Bank shed \$1 to \$25.1.

PARIS—Mixed in active trading, with investors reluctant to follow Wall Street's upward trend. French and German shares lower, Dutch stocks firmed.

AMSTERDAM—Quietly mixed to lower. AKZO, however, firmed to Fls.44 after it announced progress in its reorganization of Zofka.

HEINEKEN moved up Fls. to 190 on expectation of favorable news for its first quarter. Kema rose Fls. 1 to 127 on its 1975 results forecast.

Major Banks were steady. Trading was suspended in ASW Apparatenfabrik, a Nijmegen-based industry of gas water heaters.

Most State Loans eased. SWITZERLAND—Narrowly mixed, with an easier bias influenced by sustained profit-taking.

Major Banks lost ground. Insurances eased and Industrials generally edged lower. Late support pushed Foods higher. Chemicals turned mixed, while Engineering was mainly steady.

State Bonds firmed. In the Foreign sector, Dollar stocks were narrowly mixed, as were Dutch Industrials.

COPENHAGEN—Banks were firm, Insurances steady, Industrials barely steady, while Shipings were quiet.

GERMANY—Mixed in moderate trading. Banks were mostly lower. Dresdner Bank declined D3.50 to 22.25. Electricals were steady to higher. Chemicals were mixed.

Motors were mixed to higher. VW climbed D12.50 to 145.50. VW D32.50 to 240.50. Machine Makers were mixed to lower, while Steels declined up to D13.50.

Mining was mixed to lower. Utilities remained neglected. Stores were also mixed, while Breweries were steady.

Demand continued for Domestic Public Sector Bonds, although less strongly than during previous sessions. Deutsche Bundesbank sold D11.5m. worth of Public Sector Bonds.

Generally higher in active trading. Banks were steady, while Communications and Commodities were higher.

Collapsing prices unexpectedly rallied, following the fears of collapse of the Government. Trading was active.

Bonds were quiet. Fluctuating narrowly in average turnover. CONSTRUCTIONS drifted lower, Minings and Insurances steady.

TOKYO—Further improvement in active trading. Volume 350m. (350m. with increasing buying by Foreign investors, while major Domestic Mutual Funds and Institutions also bought.

Blue Chips led the upward movement. Matsushita Electric gained ¥15 to 806. Honda Motor ¥29 to 730. Tokai Marine ¥16 to 403. and Heiwa Real Estate ¥14 to 423.

Machinery, Pharmaceuticals, Shippings, Trading Houses and Cement were actively bought. Ste. Motors, Com. Constructions, Textiles and Non-Ferrous Metals eased on profit-taking.

Steels, Shipbuilding and Heavy Chemicals also encountered profit-taking. Hong Kong—Market continued to advance strongly in active trading, led by Blue Chips.

JOHANNESBURG—Gold shares were easier following the lower bullion price. But financial Minings were generally firmer, while Coppers and other Metals, Gees rose 10 cents higher at R250.

AUSTRALIA—Generally mixed in quiet trading. The Reserve Bank's move to curb the money supply affected market sentiment.

GBP gave way 14 cents to \$47.05, while CSR dropped 30 cents to 10.00. The following summary was issued by the revision of its sugar production for this season.

Coals remained depressed.

GERMANY +

MILAN

PARIS

BRUSSELS/LUXEMBOURG

SWITZERLAND +

AMSTERDAM

NEW YORK, Jan. 8

STANDARD AND POORS U.S. STOCK INDICES

Jan. 7	Jan. 8	Change
Industrials (Composite)	104.82	+0.12
Common Stocks	104.82	+0.12
Dividend-paying	104.82	+0.12
Non-dividend-paying	104.82	+0.12
High	104.82	+0.12
Low	104.82	+0.12

NEW YORK DOW JONES AVERAGES

Jan. 7	Jan. 8	Change
Industrials	809.60	+1.00
Common Stocks	809.60	+1.00
Dividend-paying	809.60	+1.00
Non-dividend-paying	809.60	+1.00
High	809.60	+1.00
Low	809.60	+1.00

STOCK AND BOND YIELDS

Ind. Ord. Yield	Govt. Bond Yield
3.75	3.75
3.75	3.75

WEDNESDAY'S ACTIVE STOCKS

Stock	Price	Change
IBM	125.00	+0.12
AT&T	45.00	+0.12
GE	30.00	+0.12

TORONTO INDUSTRIAL INDEX

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

MONTREAL INDUSTRIAL INDEX

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

COMBINED INDEX

Jan. 7	Jan. 8	Change
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Common Stocks	177.21	-0.08
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JOHANNESBURG

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

AMSTERDAM

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

BRUSSELS/LUXEMBOURG

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

SWITZERLAND +

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

MILAN

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

PARIS

Jan. 7	Jan. 8	Change
Industrials	177.21	-0.08
Common Stocks	177.21	-0.08
Dividend-paying	177.21	-0.08
Non-dividend-paying	177.21	-0.08

GERMANY +

NEW YORK, Jan. 8

STANDARD AND POORS U.S. STOCK INDICES

Jan. 7	Jan. 8	Change
Industrials (Composite)	104.82	+0.12
Common Stocks	104.82	+0.12
Dividend-paying	104.82	+0.12
Non-dividend-paying	104.82	+0.12
High	104.82	+0.12
Low	104.82	+0.12

NEW YORK DOW JONES AVERAGES

Jan. 7	Jan. 8	Change
Industrials	809.60	+1.00
Common Stocks	809.60	+1.00
Dividend-paying	809.60	+1.00
Non-dividend-paying	809.60	+1.00
High	809.60	+1.00
Low	809.60	+1.00

STOCK AND BOND YIELDS

Ind. Ord. Yield	Govt. Bond Yield
3.75	3.75
3.75	3.75

WEDNESDAY'S ACTIVE STOCKS

Stock	Price	Change
IBM	125.00	+0.12
AT&T	45.00	+0.12
GE	30.00	+0.12

TORONTO INDUSTRIAL INDEX

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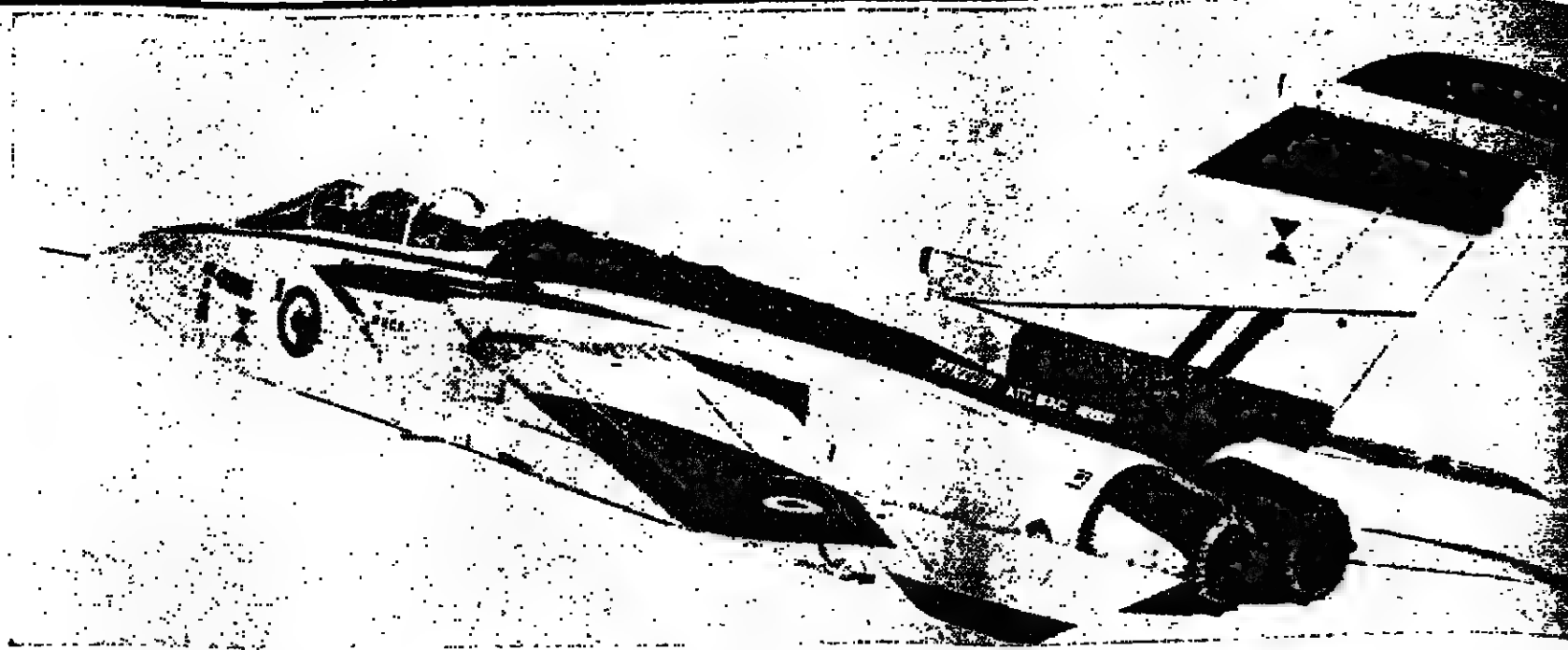
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The Governments of Britain, West Germany and Italy are likely to decide soon whether to back a £4bn. production programme for more than 800 Multi-Role Combat Aircraft. Michael Donne explains the importance of a go-ahead both to Europe's aerospace industry and to its security



# Why the MRCA needs to spread its wings

SOME TIME this year it is hoped that the governments of Britain, West Germany and Italy will give the go-ahead for full production of one of the most significant military aircraft yet developed—the Multi-Role Combat Aircraft, or MRCA.

The decision will be important, for several reasons. If in the affirmative, it will effectively launch the biggest military aircraft production programme on this side of the Atlantic since the end of the second world war. It will also confirm that the aerospace industries of the three countries will, for years ahead, have a major military aircraft manufacturing capability of their own, diverting it from eliminating the spectre of increasing reliance on U.S. military types that had loomed closer with the recent decision by Belgium,

Holland, Denmark and Norway to buy the General Dynamics F-16 lightweight combat aircraft. To fail to go ahead with the MRCA, it is argued, would not only wreck the replacement plans for the three air forces involved, but also virtually end the chances of there ever being a unified European aerospace industry capable of matching the technological achievements of the U.S.

The aircraft is being built by two consortia—Panavia on the airframe side (comprising British Aircraft Corporation, Messerschmitt-Bölkow-Blohm of West Germany and Aeritalia of Italy), and Turbo-Union on the engine side (comprising Rolls-Royce, Motoren-und-Turbinen Union and Fiat).

Many people believe that, together, Panavia and Turbo-Union could also form the nucleus of a long-term military

aircraft manufacturing industry in Europe able to move on to other advanced types for the future. Indeed, Panavia itself, even while concentrating on MRCA, is believed to have been looking at the possibilities of other types of military aircraft for the period from 1990 onwards. Sooner or later, for example, it is clear there will have to be a replacement for the existing Hawker Siddeley Harrier vertical-take-off fighter and the BAC Jaguar jet strike-trainer. Who better to study these possibilities than Panavia and Turbo-Union?

## Basic version

In the meantime, the MRCA itself is a twin-engine, two-seat, supersonic aircraft, capable of filling the full range of operational requirements of the three countries—close support over

the battlefield, strike both at sea and overland, reconnaissance, penetration of the enemy's defences (interdiction), and air superiority. These capabilities are all being built into the basic or "common" version of the MRCA.

In addition, there is a specialist British requirement for what is called the ADV or air defence variant, a version that will have special electronics (such as a long-range interception radar) to enable it to intercept potentially hostile targets approaching the U.K.—a task currently assigned to the Lightnings and Phantoms of the RAF.

The total number of aircraft involved in the programme is 807, of which 385 are for the U.K. (believed to be 220 basic MRCA's and 165 ADV's), 322 basic aircraft for West Germany and 100 basic aircraft for Italy.

By the end of September last year, the total research and development cost of the MRCA had amounted to £495m., of which about £230m. was the U.K.'s share. At September 1975 prices, the cost of a fly-away MRCA is set at £4.96m., with the programme being closely monitored to keep costs under control—although there is little that the manufacturers themselves can do to counter the effects of inflation in all three participating countries.

## Going well

So far, the flight trials are going well. Of the nine prototypes being built, six have flown, and three more will fly this year. These will be followed by six "pre-series" aircraft, which will in turn be followed, it is hoped, by full-scale quantity production. The aim will

be to get the first production aircraft into squadron service some time around 1978-79, although this time-scale will depend entirely on the rates of production agreed between the three governments according to their own spending requirements, which in turn are certain to be dictated by the pressures from other quarters on their budgets. Already in the U.K., for example, it has been suggested that production will have to be stretched out to meet the effects of the 1975 Defence Review.

Thus, the decision to be taken by the three governments has a much greater long-term significance even than that of settling the future of MRCA itself—vital though that undoubtedly is. For all these reasons, it is being anxiously awaited by the air forces and by the manufacturers involved. The discussions between the three governments are concentrating not only on the financial problems involved—there is still further research and development funding to be provided, while the production programme itself on over 800 aircraft is hardly likely to cost less than, say, £4bn., although it must be stressed that this is spread over the three countries and over a very long period (certainly five to seven years and probably much closer to ten). It is a big decision, therefore, and not one to be taken lightly.

## Damage

At the same time, there would undoubtedly be considerable long-term damage to European aerospace industries denied the design, development and production of any indigenous advanced combat aircraft of their own. For there is not much doubt that, if the basic MRCA were to be scrapped or downgraded, there would be little or no chance of the European aerospace industries' getting back into the advanced technology of supersonic military aircraft development at any later date without spending an even bigger amount of money. If MRCA were ever to go, therefore, the bulk of European military aircraft technology for the future would go with it. For all these reasons, which have been put forcefully to the governments concerned over recent months—there is a reasonable measure of confidence that the basic MRCA is safe.

Where there is still some area of concern, however, is over the so-called ADV aircraft, the Air Defence Variant for the RAF alone is intended to replace the Lightnings, and

eventually also the Phantoms, in the air defence of Britain. In the German Air Force and Navy, the basic MRCA will replace F-104 Starfighters in the battlefield strike and ground support roles. In Italy, it will replace the F-104s in the primary roles of reconnaissance and support for land and naval forces.

Because of this heavy demand for a new aeroplane, any decision to cut back on the basic version of the MRCA would be certain to result in pressures from the air forces concerned to buy another to take its place. This would almost certainly have to be an American type, probably the McDonnell Douglas F-15 Eagle, or perhaps even the General Dynamics F-16 lightweight combat aircraft. It would be costly, however, even though there would probably be a measure of offset through industrial work on the American replacement aircraft being given to the European aerospace industries—and so in the long run there might not be any significant cost benefit in cutting MRCA at all.

## Push up costs

They had believed that, just of course to no disaster in the flight programme and to all other aspects of the MRCA going well (including cost control), they managed to convince the government in the Defence Review last year of the value of the ADV, and there was no danger of its being scrapped or even cut back, however, with the suggestion of possible further cuts in spending as part of an at Government retrenchment programme, the ADV may more come up for scrutiny a result, the defence chief again arguing strongly MRCA in all its versions is and that even to cut back the ADV would be severe disrupt the programme.

This is because the price costs are being established on the basis of the entire aircraft, including the U ADV's. Any cut in the number of ADV's would be bound to push up the production cost of the remaining basic aircraft, which is not likely to please either the Germans or Italians.

This also explains why a body associated with the programme wants to get this question of whether or MRCA is going to be interwoven with any further defence review as well as as possible. For once the decision total is fixed, that ordered, and work is ordered, any subsequent changes of it would be even more disruptive.

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## SECURITY PRINTING

The Financial Times proposes to publish a survey on Security Printing. The provisional editorial synopsis and date are set out below.

Tuesday 20th January 1976

1. Introduction. In spite of the belief that higher levels of automation in computer and other operations involving a degree of confidentiality would improve security, the contrary is true. The code-breaker and the counterfeiter can harness technology to his own nefarious ends and there is a need for a concerted effort to reverse the trend.
2. Safeguarding company reports and government papers. There will always be some leakage of politically or economically sensitive information, but without the right security operated by the printers, it would occur much more frequently.
3. Making the forger's job a nightmare. Banknote and postage stamp paper can be made impossible or extremely expensive to forge satisfactorily. But without going to these extremes it is possible to produce other documents—tickets or vouchers—in such a way that they are hard to imitate.
4. Watching the secure area. A great deal of equipment is available for remote surveillance of secure areas and to ensure that only authorised staff can enter them.
5. Advice for computer users. Crime aided and abetted by data processing procedures is growing very quickly in the U.S. In the U.K. moves are in hand to provide users with the latest weapons to detect and deter such crime.
6. Making the identity card work. Colour-photograph identity cards with code lines that make them suitable to actuate magnetic locks can be turned out en masse at relatively low cost. They are a simple answer to many problems.
7. Security in the cashless society. The proliferation of cash/cheque/bank cards poses a serious problem to the careless user. Is the present system satisfactory or will it be necessary to provide a better means of identification as more and more use is made of direct access to card holders' accounts?

We would point out that the contents and date of the survey are subject to complete editorial discretion.

For further information and advertising details please telephone 01-248 8000, Ext. 565.

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## Gilt boom continues but equities begin to look tired

### Index up 0.7 at 390.5, after 393.1—Golds give ground

[illegible]

Low	High	Jan. 3
49.10	Daily	214.9
50.70	Industrials	276.1
50.55	Speculative	54.2
51.70	Today Adv. 1/2	185.3
49.8	Ind. 1/2-3/4	201.1
50.40	In foreign	24.5
45.5	Speculation	57.4
50.50	Others	37.3

Minces index was still 117 & 232.9.

Losses in the heavyweights were 11 in West Virginia (\$23), with falls of a point in Hartsfield (\$17), Free Geduld (\$20) and St. H. (\$22).

Among the lower-priced's, West Virginia (\$30) and Hartsfield (70¢) were both 5¢ while Kioof fell 45 to 65¢.

Financials mirrored Anglo American closed 3¢, its lowest of 35¢, a fall of 10¢. General Corporation fell down at 45¢. Among the 1¢ based issues Charter and Fields were both 5¢ lower, at 215¢ respectively. Be came back 6¢ to 215¢ on taking.

In Plutonium, Potzelman: 11 to 155¢ and Bishopson 100¢ on Crpe selling.

Procting-taking also left 5¢

**These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries**

up and a loss of 1000 to 1460, while British  
land, 270, and Rolls-Royce, 700,  
on 20 apiece, the latter follow-  
ing the chairman's encouraging  
remarks on trading. Interest was  
shown in Dunlop, 3 better at  
weeks' time. Harrisons and Cres-  
field put on 23 to 925p and Great  
Northern 3 points to £30, but  
Learke recorded a loss of 3 at  
124p.  
The current increase in stock

## NEW HIGHS AND LOWS FOR 1971/72

**NEW HIGHS (213)**

BRITISH FUNDS (3)  
CORPORATION BONDS (11)  
COMMONWEALTH GOVT. BONDS (2)  
AMERICANS (3)  
BANKS (3)  
REDS (4)  
BUILDINGS (16)  
CHEMICALS (3)  
CINEMAS (1)  
DEPARTS. & STORES (1)  
ELECTRICALS (3)  
ENGINEERING (24)  
FOODS (3)  
HOTELS (3)  
INDUSTRIAL (2)  
INSURANCE (3)  
MOTORS (4)  
NEWSPAPERS (1)  
PAPER AND PRINTING (2)

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## BASE LENDING RATES

AFT International .....	
Allied Irish Banks Ltd.	
Anglo-Portuguese Bank	
Henry Ausbacher .....	
Banco de Bilbao .....	
Banco de Jerez .....	
Bank of Cyprus .....	
Bank of N.S.W. ....	
Banque du Rhone S.A.	
Parleys Bank .....	
Barnett, Christie Ltd....	
Bremer Holdings Ltd.	
Brit. Bank of Mid. East	
Crown Shipley .....	
Cayzer, Bowater Co. Ltd.	

First London Secs.....  
Antony Gibbs .....

YESTERDAY		Up Down Same		
British Funds				
Corpor. Bonds			—	2
Foreign Bonds	35			31
Industrial	405	224	1,250	
Preference	264	2	20	
Govt		1	7	28
Consols		6	1	34
Plantations	27	6	1	34
Preferred	18	4	1	29
Recent Issues				

London & European ... 1  
London Mercantile ... 1

## Critics attack GLC policy

LONDON'S population was declining and industry moving out because of the deteriorating quality of life, soaring rents and the refusal by the Government to allow industry to expand, Mr. Horace Cutler, leader of the Tory opposition on the Greater London Council, said yesterday.

Midland Bank	1
■ Samuel Montagu	1
■ Morgan Grenfell	1
National Westminster	1
Northern Comm. Trust	1
Norwich General Trust	1
Portman Guaranty	1
P. S. Relfson & Co.	1
■ Royal Bank	1
Schlesinger Limited	1
E. S. Schwab	1
Security Trust Co. Ltd.	1
■ Standard Bank	1
■ Standard Chartered	1
■ Sterling Credit	1

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## ly

cent., and eased to 10-10½ per cent., before closing at 10½-11 per cent.

Short-term fixed period interest rates continued to decline, with the three-month sterling certificate yield easing to 10-10½ per cent. from 10½-10½ per cent. Discount houses' buying rate for three-month Treasury bills fell to about 10½ per cent., from 10½-10½ per cent.

Rates in the table below are nominal in some cases.

[illegible][illegible]

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# AUTHORISED UNIT TRUSTS

<b>Unit Tr. Mgrs. Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Bridge Trustees Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Garrett Fund Managers Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Lloyds Unit Tr. Mgrs. Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Mutual Unit Trust Managers Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Prudential Unit Tr. Mgrs. Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Seaboard Unit Tr. Mgrs. Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Target Trust Mgrs. (Scotland) Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)
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## INSURANCE, PROPERTY, BONDS

Item	Jan. 8	Week ago	Month ago
ON	1.000	955	855
British A.I. per ton	1.010	965	865
British Special per ton	1.010	965	865
Polish A.I. per ton	1.010	965	865
Polish Special per ton	1.010	965	865
U.S. A.I. per ton	1.010	965	865
U.S. Special per ton	1.010	965	865
U.S. A.I. per ton	1.010	965	865
U.S. Special per ton	1.010	965	865

## ODD PRICE MOVEMENTS

Item	Jan. 8	Week ago	Month ago
ON	1.000	955	855
British A.I. per ton	1.010	965	865
British Special per ton	1.010	965	865
Polish A.I. per ton	1.010	965	865
Polish Special per ton	1.010	965	865
U.S. A.I. per ton	1.010	965	865
U.S. Special per ton	1.010	965	865
U.S. A.I. per ton	1.010	965	865
U.S. Special per ton	1.010	965	865

## NATIONAL AND COMMERCIAL BANKING GROUP LIMITED

**ANNUAL GENERAL MEETING**

The Annual General Meeting of National and Commercial Banking Group Limited was held on 8th January, 1976 at the British Hotel, Edinburgh. Mr. J. O. Blair-Cunningham was in the Chair.

Resolution that a final dividend on the Ordinary shares of 1p per share be paid on 12th January, 1976 was passed.

Resolutions were also passed for the re-appointment as directors of Sir Michael Young-Herries, Mr. N. P. Biggs and John H. Hogg.

Resolutions were also passed on the following on a poll:

Account for the year ended 31st December, 1975	Votes for	Votes against
Appointment of Mr. J. O. Blair-Cunningham as a Director	56,595,321	20,938
Authorisation of Directors to fix the remuneration of the Auditors	56,602,363	12,004

Viscount Rochdale moved a vote of thanks to the Chair, which he acknowledged.

I. G. Manklow, Secretary.

St. Andrew Square, Edinburgh EH2 2YB.

January, 1976.

## TEST IN 50,000 BETTER TOMORROWS!!

10 people in the United Kingdom suffer from progressively lysing MULTIPLE SCLEROSIS - the cause and cure of which are still unknown - HELP US BRING THEM RELIEF NOW.

Join your donation to enable us to continue our work in the CARE AND WELFARE OF MULTIPLE SCLEROSIS victims and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help - Send a donation today to:

Room F.1.

The Multiple Sclerosis Society of G.B. and N.I.,

4, Trenchard Street,

London SW1 1SF.

<b>Abbey Life Assurance Co. Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>The City of Westminster Assur. Soc. V</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Hamble Unit Trust Managers Ltd. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Life &amp; Equity Assurance Co. (a)</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Norwich Union Insurance Group</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Scott. Widows' Fund &amp; Life Ass. Soc.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)
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## OFFSHORE AND OVERSEAS FUNDS

<b>Alhambra Management Co. Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Carroll's Int. (Guernsey) Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Management International Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>King &amp; Shazman Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)	<b>Keyserling Mgmt. Jersey Ltd.</b> 1. British Life Unit Tr. Mgrs. Ltd. (a) 2. British United Unit Tr. Mgrs. Ltd. (a) 3. British United Unit Tr. Mgrs. Ltd. (a) 4. British United Unit Tr. Mgrs. Ltd. (a) 5. British United Unit Tr. Mgrs. Ltd. (a) 6. British United Unit Tr. Mgrs. Ltd. (a) 7. British United Unit Tr. Mgrs. Ltd. (a) 8. British United Unit Tr. Mgrs. Ltd. (a) 9. British United Unit Tr. Mgrs. Ltd. (a) 10. British United Unit Tr. Mgrs. Ltd. (a)
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## NOTES

Prices do not include 5% premium, when applicable, and are in pence unless otherwise indicated. Value is shown in last column only for units of £100 or more. All prices are based on the latest available information. All prices are subject to change without notice. All prices are subject to change without notice. All prices are subject to change without notice.







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fee of £325 per annum for each security.**



